United Nations A/AC.109/1999/12

General Assembly

Distr.: General
16 June 1999
English
Original: English/Spanish

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Falkland Islands (Malvinas)

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–2	3
II.	Constitutional and political developments	3–19	3
	A. Constitution and Government	3–7	3
	B. Political developments	8–19	4
III.	Mine clearance	20	6
IV.	Economic conditions	21–42	6
	A. General	21–22	6
	B. Public finance	23	6
	C. Agriculture, land tenure and livestock	24–26	6
	D. Fisheries	27–29	7
	E. Tourism	30	8
	F. Oil	31–32	8
	G. Transport, communications and other basic facilities	33–38	9
	H. Banking	39	10
	I. Public works	40–42	10

99-16838 (E) 170699 230699

V.	Social conditions	43–54	10
	A. General	43–45	10
	B. Public health	46–49	11
	C. Social security and welfare	50–51	11
	D. Housing	52–54	11
VI.	Educational conditions	55–59	11
VII.	Other developments	60	12
VIII.	Participation in international organizations and arrangements	61	12
IX.	Consideration by the United Nations	62–75	12
	A. Special Committee	62–68	12
	B. General Assembly	69–75	13
X.	Consideration by other intergovernmental organizations and international forums	76–77	15

I. General

1. The Falkland Islands (Malvinas)[1] is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory comprises two large islands, known as East and West Falkland, as well as some 200 smaller islands, and has a total area of about 12,173 square kilometres (4,700 square miles). The Territory is situated in the South Atlantic, about 770 kilometres north-east of Cape Horn and about 480 kilometres east of the South American mainland. South Georgia, located about 1,300 kilometres south-east of the Falkland Islands (Malvinas) group, and the South Sandwich Islands, located about 750 kilometres east-south-east of South Georgia, are administered from the Falkland Islands (Malvinas) as a separate Territory; the Governor of the Falkland Islands (Malvinas) acts as Commissioner for South Georgia and the South Sandwich Islands.

2. According to the territorial census report of 1996, the total number of ordinarily resident population in the Territory in 1996 was 2,221. This figure is adjusted to take into account persons who reside in the Territory but who were absent during the holding of the census.

II. Constitutional and political developments

A. Constitution and Government

3. The Constitution of the Falkland Islands (Malvinas), which came into effect on 18 April 1985, vests executive power in a Governor, who is the personal representative of the British monarch, assisted by an Executive Council consisting of the Chief Executive and the Financial Secretary and three members of the Legislative Council chosen by the eight elected members from among themselves. The Chief Executive and Financial Secretary are ex officio members of both Councils and have no vote. It will be recalled that the Constitution Order of the Territory stipulates, *inter alia*, that: "whereas all peoples have the right of self-determination and by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development and may, for their own ends, freely dispose of their natural resources without prejudice to any obligations arising out of international economic cooperation, based upon the principle of mutual benefit and international law; and whereas the realization of the right of self-determination must be promoted and respected in conformity with the provisions of the Charter of the United Nations."

4. An Electoral Ordinance was enacted in 1988 and amended in 1997. The Electoral Ordinance, as amended, and the provisions of the Constitution govern elections of members of the Legislative Council. The Falkland Islands (Malvinas) is divided into two constituencies, the town of Stanley and its neighbourhood, which make up the Stanley constituency, and the rest of the country, which makes up the Camp constituency. Prior to the amendments made by the Electoral (Amendment) Ordinance of 1997, there were four elected members for each constituency. As a result of the amendments made by that ordinance, the Stanley constituency elects three members to the Legislative Council. Only persons who are registered as electors and are 21 years of age or older are entitled to stand for election. A general election of members of the Legislative Council has to be held at intervals of not longer than four years. The most recent General Election was in October 1997 and the next election is due in October 2001. Should a seat become vacant in the meantime, a by-election for the vacant seat will take place.

5. The Constitution (Amendment) Order of 1997 introduced changes with regard to the right to vote. Section 27 (1) as amended provides, subject to the provisions of subsection (2), that a person shall be qualified to be registered as an elector for the election of members of the Legislative Council if he is a Commonwealth citizen who has attained the age of 18 years and either (a) enjoys Falkland Island (Malvinas) status; or (b) his name appeared in the Register of Electors for a constituency in force on 1 September 1997; and, in either case, was a resident in the Falkland Islands (Malvinas) on the qualifying date for the period required in order to qualify.

6. Under the Electoral Ordinance, as amended, an electoral register is prepared for each constituency every year and comes into force on 1 September for a period of 12 months. The "qualifying date" in relation to the register is 15 May of the year in question.

7. The Falkland Islands Constitution Order 1985, containing the Constitution of the Falkland Islands, came into force on 3 October 1985. The Falkland Islands Constitution (Amendment) Order 1997 came into force on 1 September 1997. A copy of the Falkland Islands Constitution (Amendment) Order 1997 and of the Falkland Islands Constitution (Amendment) (No. 2) Order 1997, which came into force in February 1998, have been submitted to the Secretariat by the administering Power.

B. Political developments

8. On 10 June 1998, the Government of Argentina issued the following press release:

> "On 10 June, 'Day of Affirmation of Argentine rights to the Malvinas Islands and the Antarctic Sector', the Argentine nation commemorates the establishment of the Political and Military Command of the Malvinas Islands and the Islands Adjacent to Cape Horn in the Atlantic Ocean, in accordance with the decree by Interim Governor Martin Rodriguez in 1829.
>
> "Since the beginning of its existence as an independent nation, the Argentine Republic has demonstrated, through actions by the Government, the firm political determination to exercise its effective sovereignty in the southern territories and maritime areas inherited from Spain.
>
> "This effective exercise of sovereignty was interrupted when, in 1833, British forces occupied the Islands, expelling the population and the Argentine authorities established there. Subsequently, Argentine citizens were prevented from settling freely or owning land in those territories.
>
> "The Argentine people and Government never accepted that act of force and today reiterate, just as in the past, their unwavering determination to regain through the peaceful means of diplomatic negotiations and in accordance with the numerous appeals by the international community, the exercise of sovereignty over the Malvinas, South Georgia and South Sandwich Islands and the surrounding maritime areas.
>
> "The Argentine claim has traditionally been supported by the countries of our region and numerous international bodies, including the General Assembly of the United Nations and the General Assembly of the Organization of American States. These forums have repeatedly requested the Governments of the Argentine Republic and the United Kingdom to resume negotiations making it possible to resolve the sovereignty dispute definitively and in a peaceful manner.
>
> "The Argentine Government reiterates its readiness to continue to seek agreements with the United Kingdom that would help to consolidate an atmosphere of cooperation in the South Atlantic. These efforts are undertaken within the framework of the commitment assumed by the Argentine Republic, and incorporated in its national constitution to respect the way of life of the inhabitants of the Malvinas Islands.
>
> "On this momentous date, the Argentine Government reaffirms its belief that the resumption of talks on the substance of the question as well as the re-establishment of communications will create a favourable framework for a peaceful and lasting resolution of the dispute."

9. Before his visit to Argentina in August 1998, United Kingdom Foreign Office Minister Tony Lloyd said at a meeting of the House of Commons: "Our position remains that we have no doubt about our sovereignty over the islands, and we remain fully committed to protecting the right of the Falkland Islanders to determine their future. There is no inconsistency between that and our real commitment to continue working with the Argentines on all other aspects of our relationship."

10. The President of Argentina, Carlos Menem, visited London at the invitation of the Prime Minister of the United Kingdom, Tony Blair, from 27 October to 1 November 1998. It was the first time an Argentine head of State had visited the United Kingdom since the 1982 war. During the visit, the President of Argentina met with Queen Elizabeth II and the Prime Minister. The President also participated at a ceremony at Saint Paul's Cathedral honouring the 255 British servicemen who had lost their lives in the South Atlantic between April and June 1982.

11. During his visit, President Menem made a statement at Canning House in Liverpool, on 28 October 1998, in the course of which he said:

> "My visit to the United Kingdom is prompted by a spirit of peace and reconciliation. Without forgetting the past, I have my eyes fixed on the future...
>
> "As President of the Argentine nation, I reiterate our firm belief in the legitimacy of our historic rights...
>
> "I want my message of peace and reconciliation to be heard clearly by the islanders. On behalf of my fellow citizens, I hold out to the islanders the hand of friendship with a view to reforging the bonds of our harmonious coexistence."

12. Addressing Parliament on 29 October, President Menem said:

> "I believe that, given the overall state of our relations, we can move forward and embark with determination on the constructive and imaginative search for ways of settling the dispute concerning sovereignty over the Malvinas Islands, South

Georgia and the South Sandwich Islands and the surrounding maritime areas in a manner guaranteed to preserve the way of life of the islanders and ensure the economic prosperity and social well-being of all who live in the South Atlantic."

13. Regarding President Menem's visit, Prime Minister Blair said:

"During President Menem's visit, British and Argentine veterans stood shoulder to shoulder and watched President Menem of Argentina lay a wreath at the Falklands War Memorial in Saint. Paul's Cathedral. It was a true act of reconciliation. It was also an important symbol of how Argentina has changed over the past 16 years or so. But equally important was President Menem's public renunciation of the use of force against the Falklands.

"I believe that on the eve of the new millennium, we can all gain from the improved relations between Britain, the Falkland Islands and Argentina. That is why I invited President Menem to Britain, in a spirit of reconciliation."

14. On 29 October 1998, Argentina and the United Kingdom issued a joint statement on cooperation, entitled "Action Agenda", which reads in part as follows:

"Each Government expressly reaffirms its known position with regard to sovereignty over the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands, and the surrounding maritime areas. Both Governments also reaffirm their support for the United Nations and the commitment of their respective countries to resolve their differences exclusively through peaceful means.

"Both Governments are determined to continue working together in a spirit of cooperation on all issues of mutual interest, particularly in the South Atlantic context."

15. In a New Year's message to the Falkland Islands (Malvinas), on 1 January 1999, Prime Minister Blair said:

"When I spoke to you last year I made clear my commitment to protecting your right to choose your own way of life and to ensuring your security. Both of these were at the forefront of my mind when I spoke to President Menem here in London during his visit. I told him unequivocally that the sovereignty of the islands was not for negotiation, nor was the right of you, the Falkland Islanders to determine your own future ... We can all gain from improved relations between the United Kingdom, the Falkland Islands and Argentina."

16. On 2 January 1999, the Ministry of Foreign Affairs, International Trade and Worship of Argentina issued the following press communiqué:

"On 3 January 1833, British forces occupied the Malvinas Islands, displacing their inhabitants and the Argentine authorities established there. After 166 years of illegitimate occupation, the people and the Government of Argentina reaffirm the rights of sovereignty of the Argentine Republic over the Malvinas Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas.

"The Government of Argentina, pursuant to the objective established in the National Constitution, takes this opportunity to reiterate its unwavering determination to regain, through diplomatic negotiations, the exercise of sovereignty over the aforementioned Territories and maritime areas, while respecting the way of life of their inhabitants.

"In addition, the Government of Argentina reiterates its readiness to continue to explore with the Government of the United Kingdom ways of consolidating mutual trust and cooperation in the South Atlantic, especially the re-establishment of communications between the continental territory and the Islands, which would constitute a step towards harmonious understanding in the region.

"On this anniversary, the Government of Argentina reaffirms its belief that the resumption of negotiations on the substance of the question, in conformity with the many appeals of the international community, will contribute to the achievement of a fair and definitive settlement of the dispute."

17. Prince Charles visited Argentina from 9 to 11 March. He is the highest-ranking member of the British royal family to visit Argentina since 1982. The Prince and President Menem held private talks, at which they were reported to have spoken about the climate of reconciliation between the two countries. Prince Charles also paid homage to the 652 Argentine soldiers killed during the 1982 war at a wreath-laying ceremony in front of the monument to Argentina's war dead.

18. From 13 to 15 March, Prince Charles visited the Falkland Islands (Malvinas), where he held meetings with the Governor, members of the Executive and Legislative Council and Camp councillors. During his stay, the Prince laid a wreath at the 1982 monument.

19. On 27 May, at the end of the talks between Argentina and the United Kingdom on South Atlantic issues, both delegations issued the following joint statement:

> "British and Argentine delegations met in London from 25 to 27 May 1999 to discuss South Atlantic issues of common interest.
>
> "The delegations agreed that the formula on sovereignty recorded in paragraph 2 of the joint statement of 19 October 1989 applied to this meeting and its consequences.
>
> "Both delegations welcomed the exchange of visits of the President of Argentina in October 1998 and of His Royal Highness the Prince of Wales in March 1999. Both visits had contributed to the creation of a new spirit of understanding and reconciliation in the relationship between the United Kingdom and Argentina. The talks were held in a friendly, open and constructive atmosphere, building on the new spirit in the relationship.
>
> "The two delegations exchanged views on air links and human contacts to and from the Falkland Islands, including access by Argentines, and agreed to continue studying this matter constructively.
>
> "Both delegations agreed to continue to exchange ideas for improving cooperation on the conservation of fish stocks in the South Atlantic, especially to find ways to tackle the common menace of poaching.
>
> "Both delegations agreed that they would continue to work together to find ways of making progress over a range of South Atlantic issues of common interest. The two delegations agreed to meet again as soon as possible to discuss such issues further."

III. Mine clearance

20. In 1994, the Government of Argentina offered to assume the task of removing the mines laid in the Falkland Islands (Malvinas) by the armed forces of Argentina during the conflict of 1982. In this connection, the joint statement issued in London on 29 October 1998 (see para. 13 above) points out that "both Governments will work together to evaluate the feasibility and cost of clearing the landmines that remain in the Falkland Islands (Malvinas)". The statement also indicated that both Governments "look forward to the early conclusion of a memorandum of understanding setting out how this assessment will be carried out".

IV. Economic conditions

A. General

21. According to the administering Power, development in the Territory has been slow because there are few natural resources, the population is small and the Territory is remote from external markets. Nevertheless, the pace of economic development has accelerated dramatically since 1982; this rapid growth resulted initially from the influx of British Government aid, but more recently from the development of fisheries. The size of the fisheries' revenues and their subsequent investment have enabled improvements to be made in the infrastructure and the promotion of tourism and other enterprises, which will help to diversify the economy.

22. However, the administering Power points out that problems are appearing: government revenue is fully committed; the growing sectors of retail, recreation and construction are dependent on expenditure; agriculture is claiming financial assistance from the State; and tourism has yet to take off.

B. Public finance

23. The Territory's financial year runs from 1 July to 30 June. The statement showing total receipts and payments for the year ended 30 June 1998 shows a total revenue of £39,607,691 and a total expenditure of £54,257,570.

C. Agriculture, land tenure and livestock

24. During the years 1980 to 1996, the territorial Government implemented a farms subdivision programme. As a result, previously very large farms were subdivided and sold to local farmers. Thus, the number of farms increased from 36 in 1980 to the present 90. Another result of the subdivision programme was the transfer of majority overseas land ownership to the islanders. During 1980–1996, overseas land ownership in the Territory decreased from 76 to 1.23 per cent.

25. The Department of Agriculture continues to be responsible for this sector of the economy. The research staff of the Department carries out research on the plants and animals of the Territory with a view to synthesizing

improved systems of production. The Department has developed a multidisciplinary approach to assist the landholders. Specialists in agronomy, sheep husbandry and veterinary services, as well as an agricultural economist, assist farm management and, in particular, provide support to new farmers. The agricultural budget for 1998/99 totalled £1,167,400.

26. The land is devoted for the most part to sheep ranching to produce wool. Statistics of stock numbers and wool produced are supplied annually by farmers in accordance with the Livestock Ordinance. Expansion and improvement of agriculture and its practice are encouraged by the territorial Government.

D. Fisheries

27. Squid, including *Loligo* and *Illex*, are the mainstay of the territorial fisheries and economy. In 1998, the total catch of all species was 210,202 tons, including 84,954 tons of *Illex Argentines* and 51,417 tons of *Loligo gahi*, both of which represent 65 per cent of the total reported catch. The annual ordinary revenue from fishing licence fees was £17 million, which represents over 50 per cent of the total annual ordinary revenue of the territorial Government.

28. Government expenditure on fisheries in 1997/98 amounted to £4.3 million. Fisheries protection and aerial surveillance accounted for 65 per cent of this amount, with a further 17 per cent directed to support scientific research on *Illex*, *Loligo*, commercial finsfish species and stock assessment techniques.

29. The South Atlantic Fisheries Commission held its fourteenth meeting at Buenos Aires on 12 and 13 November 1998. At the conclusion of the meeting it issued the following statement:

> "The fourteenth meeting of the South Atlantic Fisheries Commission took place at Buenos Aires on 12 and 13 November 1998. The British delegation was led by the Head of the Overseas Territories Department, John White, and the Argentine delegation was led by the Legal Counsel, Orlando R. Rebagliati.
>
> "The meeting took place in a friendly and constructive atmosphere.
>
> "The British and Argentine delegations agreed to apply to the meeting and its consequences the formula on sovereignty over the Falkland Islands, South Georgia and South Sandwich Islands and the surrounding maritime areas agreed by the British and Argentine Governments in paragraph 2 of the joint statement issued at Madrid on 19 October 1989.
>
> "The South Atlantic Fisheries Commission welcomed the reports of the Scientific Subcommittee on its eleventh and twelfth meetings, which were respectively held in London on 16 and 17 June 1998 and in Mar del Plata on 9 and 10 November 1998. It took note of the cooperation between the Instituto Nacional de Investigación y Desarrollo Pesquero (INIDEP) and the Imperial College, and of the progress made on joint research. The Commission expressed its satisfaction at the progress made by the Subcommittee and agreed to recommend the Subcommittee's proposals to the Governments.
>
> "Both delegations expressed their commitment to the conservation of stocks in the South Atlantic and agreed to recommend to Governments the continuation of cooperation to reach a greater level of scientific understanding on the most significant offshore species in the area of cooperation.
>
> "The Commission, noting the concerns raised by the Subcommittee on the future recruitment to the *Illex* stock due to unusual oceanographic features this year, agreed to recommend to Governments that every effort be made to maintain conservation measures that would safeguard the sustainability of the *Illex* stock. As in previous years, a joint research cruise will take place in 1999 to evaluate the level of the *Illex* squid stock.
>
> "Both delegations reaffirmed their support for the early warning system and the need to improve the exchange of real time data on fishing operations. The Commission agreed to recommend to their Governments that every effort be made to ensure a level of 40,000 tons of *Illex* spawning stock biomass at the end of the fishing season.
>
> "The Commission noted the concerns expressed by the Subcommittee on the status of the Southern Blue Whiting stock and agreed to recommend to Governments that a precautionary approach be applied to the fishery. It further agreed that an extended workshop on the Southern Blue Whiting should take place in conjunction with the next meeting of the Subcommittee in order to achieve a more comprehensive assessment of the actual status of the stock and to plan the joint research cruise for Southern Blue Whiting in the austral spring.
>
> "The Argentine delegation made reference to the concern of the Argentine Government about the

situation created by the British decision with respect to the area described in the annex to the Joint Statement of 26 November 1990 and the area to the west of it. It expressed its hope that this matter be resolved. The British delegation re-stated its position.

"The two parties will maintain contacts through diplomatic channels with a view to agreeing on the place and dates of future meetings of the Commission."

E. Tourism

30. The number of persons arriving and departing the Territory continued on an upward trend during 1998. Some 10,140 persons arrived during 1998. Of these, 8,816 came by air and 1,324 by sea. About 3,430 were residents; visitors totalled 2,790. On the other hand, 9,768 persons departed. However, the upward trend was expected to be negatively affected by the suspension of a weekly scheduled air service between the Falkland Islands (Malvinas) and Chile operated by the Chilean national airline, which had initiated flights in August 1997. Flights were suspended in March 1999.

F. Oil

31. The South-West Atlantic Hydrocarbons Commission held its fifth meeting at Buenos Aires on 30 July 1998. It issued the following statement on the same date:

"The fifth meeting of the South-West Atlantic Hydrocarbons Commission took place at Buenos Aires on 30 July 1998. The British delegation was led by Peter Westmacott, Director of the Americas Command, at the Foreign and Commonwealth Office, and the Argentine delegation by Ambassador Eduardo Airaldi, Under-Secretary for Foreign Policy, at the Ministry of Foreign Affairs, International Trade and Worship. A meeting of the Subcommittee for the Special Cooperation Area took place on 27 and 28 July.

"The British and Argentine delegations agreed that there applied to the meeting and its consequences the formula on sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas, set out in paragraph 1 of the Joint Declaration of 27 September 1995.

"The Joint Commission expressed satisfaction at the progress made by its Subcommittee on various issues marking scheme and evaluation procedure for bids, harmonization of licence terms and conditions, health and safety at work, environmental issues with a view to the launching of the licensing round in the Special Cooperation Area. The Joint Commission confirmed the Subcommittee's recommendation to adopt a common map projection for the Special Cooperation Area.

"The Joint Commission gave particular consideration to issues related to the protection of the marine environment of the South-West Atlantic. It agreed that more work would be required in order to complete the collection of data necessary to reach a better understanding of the marine environment in the Special Cooperation Area and the rest of the area covered by the Joint Declaration.

"The Joint Commission confirmed its commitment to an early launch of the licensing round in the Special Cooperation Area. It noted that it was important to maintain the present momentum of work to achieve this objective. The Joint Commission recommended that further inter-sessional work was necessary on the proposed marking scheme for bids, harmonization of licence terms and conditions, future environmental work, health and safety issues and taxation. The next meeting of the Subcommittee will take place in London early in December 1998.

"Both sides agreed on the need further to study proposals for joint scientific research projects, and they concurred in developing, during the inter-sessional period, the coordination of joint activities.

"Both sides discussed ways of cooperating over the promotion of the exploration for and exploitation of hydrocarbons in the maritime areas of the South-West Atlantic subject to a controversy on sovereignty and jurisdiction. They noted the importance of continuing to share information relevant to the conduct of this work and their common interest in developing cooperation in the commercial field. They also reiterated their commitment to create the conditions for substantial participation in activities by companies from the two sides.

"The Joint Commission was pleased with the significant progress that had been made since their last meeting. Joint work was going forward in a cordial and constructive atmosphere. The next meeting of the Joint Commission is planned for London early in December 1998."

32. The South-West Atlantic Hydrocarbons Commission held its sixth meeting in London on 10 December 1999. It issued the joint press statement on the same day:

"The sixth meeting of the South-West Atlantic Hydrocarbons Commission took place in London on 10 December 1998. The British delegation was led by Peter Westmacott, Director of the Americas Command, at the Foreign and Commonwealth Office, and the Argentine delegation by Ambassador Eduardo Airaldi, Under-Secretary for Foreign Policy, at the Ministry of Foreign Affairs, International Trade and Worship. A meeting of the Subcommittee for the Special Cooperation Area took place on 8 and 9 December.

"The British and Argentine delegations agreed that there applied to the meeting and its consequences the formula on sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas, set out in paragraph 1 of the Joint Declaration of 27 September 1995.

"The Joint Commission expressed satisfaction at the progress made by its Subcommittee in working out arrangements for the launch of a licensing round in the Special Cooperation Area. It noted that there is an encouraging number of points of principle on which both sides agree.

"The Joint Commission gave particular consideration to issues related to the protection of the marine environment of the South-West Atlantic. It agreed that more work would be required in order to complete the collection of data necessary to reach a better understanding of the marine environment in the Special Cooperation Area and the rest of the area covered by the Joint Declaration. In order to achieve this objective, the Joint Commission had a preliminary exchange of views on future environmental works.

"The Joint Commission confirmed its commitment to a launch of a licensing round in the Special Cooperation Area. It noted that it was important to maintain the present momentum of work to achieve this objective. The Joint Commission recommended that further inter-sessional work was necessary on the proposed marking scheme for bids, health and safety issues, harmonization of license terms and conditions, future environmental work and taxation. The next meeting of the Subcommittee will take place in Buenos Aires in the first half of 1999.

"Both sides agreed to give further consideration to proposals for joint scientific research projects. The Joint Commission noted the need to develop coordination of joint activities during the inter-sessional period.

"Both sides discussed ways of cooperating over the promotion of the exploration for and exploitation of hydrocarbons in the maritime areas of the South-West Atlantic subject to a controversy on sovereignty and jurisdiction. They noted the importance of continuing to share information relevant to the conduct of this work, and their common interest in developing cooperation in the commercial field. They also reiterated their commitment to create the conditions for substantial participation in activities by companies from the two sides.

"The Joint Commission was pleased with the progress that had been made since their last meeting. Joint work was going forward in a cordial and constructive atmosphere. The next meeting of the Joint Commission is planned for Buenos Aires in the first half of 1999."

G. Transport, communications and other basic facilities

33. In 1996/97, Cable and Wireless upgraded all VHF telephones to microwave. Cable and Wireless and the territorial Government jointly funded these improvements. A new earth station offering access to the Internet was commissioned in 1997.

34. The local Falkland Islands Broadcasting Service continued to provide programming within the 24-hours-a-day service agreed upon with the British Forces Broadcasting Services. Television transmissions are received by most of the islanders from the British Forces base at Mount Pleasant. The programmes are recorded by the British Broadcasting Corporation and Independent Television and transmitted via satellite. Since 1994, a privately funded satellite service of the Cable News Network broadcasts was introduced and customers may now avail themselves of an expanded satellite service using individual satellite dishes.

35. The territorial Government operates an internal civil air service using twin engine islander aircraft. They carry passengers, mail and medical patients between the island settlements and Stanley on pre-booked flights. An international airport at Mount Pleasant was opened in May 1985, capable of taking long haul, wide bodied jet aircraft.

There are Ministry of Defence flights to and from the United Kingdom twice a week from Mount Pleasant Airport. Royal Air Force Search and Rescue helicopters based at Mount Pleasant assist with emergencies on land and from vessels at sea in the proximity of the islands. The Chilean airline Lan Chile, which linked the Falkland Islands (Malvinas) with Punta Arenas in southern Chile and Santiago, suspended its services in March 1999 (see para. 30 above).

36. There is a shipping service between the United Kingdom and the Falkland Islands (Malvinas) with cargo vessels arriving approximately every month. Inter-island sea transport is effected by a coastal cargo vessel operated by a local shipping company.

37. The total length of roads in the Territory outside Stanley (on East and West Falkland) continues to increase and has now reached 500 kilometres (an increase of 50 kilometres per year) of which 10 per cent is bitumen surfaced. The remainder are all-weather roads with a gravel surface. Road construction is ongoing, using both internal resources and contractors.

38. During the period under review, the Government of Argentina maintained its position that the restoration of communications between the mainland and the Falkland Islands (Malvinas) continued to be a primary objective, since improved links would produce commercial and economic benefits for the entire region, by creating the necessary framework for achieving a greater understanding between the inhabitants of the region and for serving their interests. In this respect, the Government of Argentina offered the use of its transport infrastructure and a humanitarian flight to assist in a recent medical emergency.

H. Banking

39. The Standard Chartered Bank of the United Kingdom has been operating in Stanley since December 1983. Both British and local coinage is used, together with local currency notes. There is parity between the United Kingdom and Falkland Islands (Malvinas) currency.

I. Public works

40. The Public Works Department remained under pressure with a significant capital works programme and a heavy maintenance commitment in many areas. The shortage of labour arising from full employment has affected the programme for new works and maintenance by impacting on both the Department and its contractors.

41. A major project undertaken in 1998 was the redevelopment of Pony's Pass Quarry. The old crushing and screening plant was removed and a new, modern processing plant capable of producing up to 200 tons per hour of crushed aggregates was erected at a capital investment of £1.1. million. The quarry has supplied aggregates to major projects, including East Stanley Development and the Abattoir access road, and is expected to produce in excess of 75,000 tons a year.

42. Road construction continued at a fast rate, with successful completion of the road to Greenfield from Johns Brook, across particularly difficult terrain. Work is now ongoing on the road to Bombilla from Queens Brook. On West Falkland Gordon Forbes Construction (Falklands) Ltd. completed the road from Hill Cove to Roy Cove and made a start on the section towards Main Point. In Stanley, surfacing of the roads on the East Stanley development site commenced.

V. Social conditions

A. General

43. According to the administering Power, during the period under review, there have been no complaints of discrimination on the basis of race or religion. The Territory observes the principles contained in the Universal Declaration of Human Rights. The provisions of the European Convention for the Protection of Human Rights and Fundamental Freedoms has been extended to the Falkland Islands (Malvinas) by the administering Power. The extension of the Convention includes the right of an individual who alleges that his human rights have been transgressed and who has exhausted all other remedies to petition the European Court of Human Rights. Further, the United Kingdom has extended the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights to the Territory and observes the regular reporting procedures under these instruments. As in the United Kingdom, the European Convention and the International Covenants do not themselves have the force of law in the Territory. However, the rights provided by them are protected by the Constitution and the provision of safeguards within the laws applying to the Territory, distinct from, but in conformity with, the Covenants. The common law of the United Kingdom applies in the Falkland Islands (Malvinas) except insofar as it is inconsistent with any enactment of the law applying to the Falkland Islands (Malvinas).

44. The right to life is recognized and protected by the Constitution and the laws. The death penalty has been abolished, except for treason and crimes of piracy involving violence (there have never been any cases of such crimes).

45. There is no discrimination on the basis of sex in the implementation of articles 2 and 3 of the International Covenant on Civil and Political Rights. The Convention on the Elimination of All Forms of Discrimination against Women has been applied by the United Kingdom in the Falkland Islands (Malvinas) with the agreement of the territorial Government. The fourth periodic report required under the terms of that Convention in relation to the Falkland Islands (Malvinas) has been submitted by the Government of the United Kingdom to the United Nations in accordance with the terms of the Convention (CEDAW/C/UK/4/Add.1). The Sex Discrimination Ordinance 1998 was enacted during the period under review.

B. Public health

46. According to the administering Power, the general state of health and nutrition of the population and the standard of medical care in the Territory are similar to those in North America and Europe.

47 A Health and Safety at Work Committee is in the process of reviewing all government departments and advising on changes to improve health and safety. There is no private system of medical care. The total expenditure of the Medical Department on all aspects of health care and public health for 1997/98 is as follows: recurrent expenditure, £2,983,720; special expenditure, £48,800; and capital expenditure, £86,000.

48. All civilian medical services in the Falkland Islands (Malvinas) are based at the King Edward VII Memorial Hospital in Stanley. This joint civilian-military hospital was opened in August 1987. The hospital has 28 beds, including 2 for maternity patients and 2 for intensive care. There are facilities to deal with all acute medical and surgical conditions. A full range of primary care services is provided to the civilian population, military personnel stationed in Stanley and the foreign fishing fleets around the Territory. There is a visiting service to the outlying farm settlements which involves the doctors, midwives and health-care visitors.

49. Vital health statistics for 1996 and 1997 are as follows: there were 21 births in 1996 and 29 in 1997; the number of total deaths was 19 in 1996 and 12 in 1997; and there were two deaths of infants under one year old in 1996 and none in 1997.

C. Social security and welfare

50. Medical and dental treatment and drugs are free to all residents and citizens of the United Kingdom. The Falkland Islands Retirement Pension provides for mandatory fixed weekly contributions by all employers and employees between the ages of 17 and 64. The Falkland Islands Pensions Scheme Ordinance 1997 commenced during 1998. The scheme provides a national defined contribution vehicle through which employers, self-employed individuals and other individuals in the Territory can make contributions under employer-employee agreements or voluntarily during their working lives and receive a pension upon retirement.

51. A system of social welfare grants and pensions is in operation to deal with cases of hardship and disability. Expenditure for the financial years 1996 and 1997 was £49,000.

E. Housing

52. In cooperation with the administering Power, the territorial Government completed a programme of "general needs" housing construction and is now concentrating resources on the provision of fully serviced plots for self-builders and small local companies.

53. The Planning Ordinance of 1991 governs development. The legislation is structured to impose stricter controls on development in Stanley than in the rural areas.

54. The majority of the houses in Stanley are privately owned. The Government owns a number of houses that it rents to government employees and other residents of Stanley. The Government recently sold a large part of its housing stock to its tenants, at advantageous prices and on low rate loans.

VI. Educational conditions

55. The educational system of the Territory, governed by the Educational Ordinance of 1989, is the responsibility of the Director of Education, who is an officer of the Falklands Islands (Malvinas) Government. He is advised by the Education Board.

56. Education is compulsory for all children between the ages of 5 and 16 years. The territorial Government bears all the costs of materials, books and equipment.

57. Outside Stanley, attendance at settlement schools is compulsory for children who live within two miles of the school. Settlement schools owned by the farms now have government employed teachers. Education in the Camp is provided by the Government at two settlement schools, telephone and radio lessons from three centres, and by travelling teachers who are mostly trained at the primary level. There is no formal education at the senior level in the Camp, and children over the age of 10 are encouraged to move to Stanley in preparation for senior school.

58. In Stanley there are two schools. In the rural areas, there are approximately 42 children of school age living in some 22 scattered farm settlements. In two of these settlements, North Arm and in Port Howard, the territorial Government provides qualified teachers. Other settlements are visited on a regular basis by qualified government itinerant teachers.

59. Expenditure on education for 1998 and 1999 is estimated at £3.33 million. The cost of overseas training for further higher education is estimated at £492,000.

VII. Other developments

60. On 18 November 1998 and 13 January, 17 February and 17 March 1999, four groups of next-of-kin of Argentine casualties of the 1982 conflict, buried in the Falkland Islands (Malvinas), visited the Territory. The arrangements for those visits of a humanitarian nature took place following discussions between Argentina and the United Kingdom. During the visits, the groups, consisting of 15 persons each, accompanied by a priest, visited the cemetery where the Argentine casualties are buried and attended religious services.

VIII. Participation in international organizations and arrangements

61. The Government of the Falkland Islands (Malvinas) participates in activities of the Commonwealth and is a member of the British Dependent Territories Association. It also takes part in the work of multilateral organizations concerned with the exploitation and preservation of marine resources in the South Atlantic.

IX. Consideration by the United Nations

A. Special Committee

62. The Special Committee considered the question of the Falkland Islands (Malvinas) at its 1492nd meeting, on 6 July 1998. At its 1487th meeting, on 29 June 1998, the Special Committee had granted requests for hearing to Norma Edwards and Sharon Halford of the Legislative Council of the Falkland Islands (Malvinas), as well as to Maria Angelica Vernet, Enrique Pinedo and Alejandro Betts, who made statements at the 1492nd meeting on 6 July 1998 (see A/AC.109/SR.1492).

63. At its 1492nd meeting, the Special Committee acceded to the requests of the delegations of Argentina, Brazil and Paraguay to participate in the consideration of the item.

64. At the same meeting, the representative of Chile introduced, on behalf of Bolivia, Cuba, Papua New Guinea and Venezuela, a draft resolution on the question (A/AC.109/L.1874).

65. At the same meeting, the Minister for Foreign Affairs, International Trade and Worship of Argentina made the following statement:

> "This Special Committee and the General Assembly have recognized on many occasions that the question of the Malvinas Islands is a particular and special case which is unlike the situation of the other Non-Self-Governing Territories.
>
> "Resolution 2065 (XX) and other, subsequent, resolutions make it clear that the international community recognizes the existence of a dispute over sovereignty between Argentina and the United Kingdom, a dispute which must be settled through bilateral negotiations. Likewise, resolution 3160 (XXVIII) states that the conflict of sovereignty must be resolved before the colonial situation can be settled. To proceed otherwise in this matter would be to reward the act of usurpation which caused the split in the territorial integrity of the Argentine Republic.
>
> "Through these pronouncements, the General Assembly has spelled out very clearly that the principle of self-determination does not apply to the question of the Malvinas Islands, a doctrine which was confirmed by the General Assembly itself in 1985 when it rejected a United Kingdom amendment in which that principle was incorporated.

"...

"The principle of self determination applies only to peoples subjected to a colonial Power. In the case of the Malvinas Islands, it is obvious that the inhabitants are descended from the settlers who were transplanted illegally to those Territories by the occupying Power in the nineteenth century after the pre-existing Argentine population had been expelled. To offer that population, which enjoys full British citizenship, the right to self-determination would be tantamount to agreeing to its arbitration of a territorial dispute to which its country is a party.

"...

"The peaceful vocation of my country has been repeatedly affirmed by successive democratic governments and was incorporated in the Argentine National Constitution in 1994.

"Respect for the way of life of the islanders also has constitutional force. This is a pledge which, as in previous years, I wish to repeat solemnly in this forum.

"...

"We are confident that the British Government, in deference to the many requests of the international community and encouraged by the favourable framework of the bilateral relations, will be willing to sit down at the negotiating table and engage in a frank dialogue in which we can exchange our views on all aspects of the dispute."

66. At the same meeting, the representative of Brazil, on behalf of the States members of the Southern Cone Common Market (MERCOSUR) (Argentina, Brazil, Paraguay and Uruguay) and of Bolivia and Chile, made a statement in which he informed the Committee that he wished to reiterate the terms of the Declaration on the Malvinas adopted at the tenth meeting of Presidents of the States members of MERCOSUR, in 1996, which reads as follows:

"The Presidents of the States members of MERCOSUR and the Presidents of the Republics of Bolivia and Chile reaffirm their support for the legitimate rights of the Argentine Republic in the dispute concerning sovereignty over the Malvinas. They also note the interest of the hemisphere in a prompt settlement of the protracted dispute between the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over those Territories in accordance with the resolutions of the United Nations and the Organization of American States."

67. During the debate on the question, the representative of Fiji said that his delegation believed that the issue of sovereignty over the Falkland Islands (Malvinas) was beyond the responsibility of the Special Committee and was, therefore, *ultra vires* of its mandate. The issue for the Special Committee was one of decolonization, not one of sovereignty. The future of the peoples of Non-Self-Governing Territories must be decided by the people themselves. The representative of Venezuela said that his delegation supported the draft resolution in the belief that it would contribute to finding a solution to the dispute between Argentina and the United Kingdom. The representative of Cuba reaffirmed his Government's support for the Government of Argentina over the Territory. As far as Cuba was concerned, Argentina's sovereignty over the Territory was beyond dispute. He hoped the dispute would be resolved as quickly as possible and that the position of the islanders should also be taken into account. The representative of Bolivia said his country supported the Argentine claim of sovereignty over the Territory, hoping that a peaceful and lasting solution could be found. The representative of China similarly stated that his country advocated a peaceful settlement of the dispute and hoped that the two countries would implement the General Assembly's resolutions on the question as soon as possible, and that they would do so through negotiations. The representative of the United Republic of Tanzania appealed to Argentina and the United Kingdom to speed up negotiations by the year 2000.

68. At the same meeting, the Special Committee adopted the draft resolution without a vote as resolution A/AC.109/2122. Following the adoption of the resolution, the representative of Sierra Leone made a statement in explanation of position in which he said that the resolution should make appropriate reference to the important issue of self-determination. As the Special Committee was aware, there was no alternative to that principle. The representative of Grenada said that his delegation hoped the dispute could be resolved through dialogue to the good of all the parties involved, and along the lines recommended by the Secretary-General.

B. General Assembly

Position of the Government of Argentina

69. During the general debate at the fifty-third session of the General Assembly, the Minister for Foreign Affairs, International Trade and Worship of Argentina, in the course

of his statement at the 8th plenary meeting, on 21 September 1998, reiterated the position of his Government as follows:

> "Unfortunately, there remains an important unresolved issue in the South Atlantic: the sovereignty dispute between the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland over the Malvinas Islands, a dispute whose existence has been unequivocally recognized in many resolutions of the General Assembly and of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, as well as in various other international forums. I reiterate, with the same conviction as always, the legitimate and well-founded rights of Argentina in that long-standing dispute. And, with the same conviction as always, I urge the United Kingdom to heed the call of the international community and observe United Nations resolutions calling upon both Governments to resume negotiations on all aspects of this question.
>
> "The end of the cold war showed us that far more complicated problems have been resolved through frank, open dialogue and with a determination to reach a mutually acceptable agreement. I see no reason why the question of the Malvinas Islands should be an exception. Proceeding on firm footing, we have rebuilt our bilateral relationship and, for the benefit of the Argentine and British peoples, have strengthened political, trade and cultural ties. Evidence of this is the visit which President Carlos Menem is to make to the United Kingdom in the near future, for which both parties are engaged in enthusiastic preparations and which has generated high expectations at all levels.
>
> "Similarly, we have left behind the misgiving and resentments of the past, learning from our mistakes and creating a climate of mutual trust in the South-West Atlantic, which is today enabling us to cooperate in the conservation of fishery resources and in exploration for hydrocarbons. That cooperation renders still more incomprehensible today's lack of communication between the islands and the mainland. There are few places in the world with such an unnatural situation. It is beyond doubt that restoring direct ties between the mainland and the islands would contribute to resolving the problem. We have no doubt about this.
>
> "Once again, I expressly reiterate Argentina's sincere desire to pursue a frank dialogue without preconditions. We hope that the British Government understands the full meaning of our offer and that it will respond accordingly. To the islanders I reiterate our unwavering commitment to full and unconditional respect for their way of life, their culture and their institutions. Our national constitution so provides, and that is the desire of the Argentine people."[2]

70. That position was reaffirmed by the representative of Argentina in a statement made in exercise of the right of reply to the statement made by the representative of the United Kingdom (see para. 71 below) at the 7th plenary meeting of the fifty-third session of the General Assembly on 21 September 1998.

Position of the administering Power

71. In his statement at the 7th plenary meeting, on 21 September 1998, the Prime Minister of the United Kingdom made no reference to the question of the Falkland Islands (Malvinas). However, at the 8th plenary meeting, speaking in exercise of the right of reply to the remarks of the Minister for Foreign Affairs, International Trade and Worship of Argentina (see para. 69 above), the representative of the United Kingdom made the following statement:

> "May I respond briefly to the remarks made earlier today by the Foreign Minister of Argentina concerning the Falkland Islands.
>
> "I welcome the Foreign Minister's references to the high level of cooperation between the United Kingdom and Argentina which increasingly characterizes our bilateral relationship. The British Government sincerely hopes that the progress which is being achieved will be built on and developed, and in that regard looks forward with pleasure to the visit which President Menem will pay to the United Kingdom later this year.
>
> "The British Government does not accept the Foreign Minister's remarks about sovereignty. We have no doubt about Britain's sovereignty over the Falkland Islands and the other British dependencies in the South Atlantic.
>
> "In the Falkland Islands we must heed the wishes of the people. The elected representatives of the islanders expressed their views clearly when they visited the United Nations for the debate in the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples on 6 July. They asked the Committee to recognize that they, like any other democratic people, should be

allowed to exercise the right of self-determination. As the democratic voice of the Falkland Islands people they reiterated their view that they did not want to be part of Argentina.

"Despite our differences with Argentina on the subject of sovereignty, we maintain a constructive dialogue with the Argentine Government on matters such as hydrocarbons, development and fisheries in the South Atlantic. We continue to hold discussions on these issues on a regular basis, while maintaining our position regarding sovereignty over the Falklands, and value these practical steps to develop United Kingdom-Argentine cooperation."[2]

Contribution by other Member States

72. During the general debate on decolonization items in the Special Political and Decolonization Committee (Fourth Committee) on 5 October 1998, the representative of Panama, speaking on behalf of the Rio Group, said that the States members of the Rio Group reaffirmed their conviction that the excellent bilateral relations between the Governments of the Argentine Republic and the United Kingdom would make it possible to find a peaceful and lasting solution to the dispute between the two countries over sovereignty of the Falkland Islands (Malvinas), Georgia and the South Sandwich Islands, in accordance with the relevant resolutions of the General Assembly and the Special Committee (see A/C.4/53/SR.3, para. 49).

73. At the same meeting, the representative of Uruguay said his delegation welcomed the fact that the Governments of Argentina and the United Kingdom were endeavouring to reach a satisfactory solution to the problem of the Falkland Islands (Malvinas).

74. At the 6th meeting of the Fourth Committee, on 12 October 1998, the representative of Brazil, speaking on behalf of the States members of MERCOSUR and Bolivia and Chile, said that it was encouraging that Argentina and the United Kingdom had markedly strengthened their bilateral relations. He read out the Declaration on the Malvinas adopted at the tenth meeting of the Presidents of the States members of MERCOSUR, Bolivia and Chile, in which they reaffirmed their support for the legitimate rights of Argentina and called for a rapid settlement of the question in accordance with resolutions of the United Nations and the Organization of American States (see para. 65 above). At the same meeting, the representative of Chile said that his delegation remained convinced that the search for a peaceful and negotiated solution between Argentina and the United Kingdom on the question of the Falkland Islands (Malvinas) was the only possible option.

Action by the General Assembly

75. At its 50th plenary meeting, on 2 November 1998, the General Assembly decided to defer consideration of the item entitled "Question of the Falkland Islands (Malvinas)"and to include it in the provisional agenda of its fifty-fourth session (decision 53/414).

X. Consideration by other intergovernmental organizations and international forums

76. On 2 June 1998, the General Assembly of the Organization of American States (OAS) adopted a Declaration on the question of the Malvinas Islands (AG/DEC/17 (XXVIII–O/98), which reads as follows:

"*The General Assembly*,

"*Considering* its repeated statements that the question of the Malvinas Islands is a matter of enduring hemispheric concern;

"*Recalling* its resolution AG/RES.928 (XVIII–O/88), adopted by consensus on 19 November 1988, which requests the Governments of the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland to resume negotiations in order to find, as soon as possible, a peaceful solution to the sovereignty dispute;

"*Bearing in mind* that, in resolution AG/RES/1049 (XX–O/90), it expressed its satisfaction with the resumption of diplomatic relations between the two countries and that, in its declaration AG/DEC.5 (XXIII–O/93), it emphasized the excellent state achieved in their bilateral relations; and

"*Having heard* the presentation by the head of delegation of the Argentine Republic,

"*Welcomes* the reaffirmation of the will of the Argentine Government to continue exploring all possible venues for peaceful settlement of the controversy and, in particular, its positive views concerning the inhabitants of the Malvinas Islands; and

"*Decides* to continue to examine the question of the Malvinas Islands at its subsequent session until a definitive solution is reached thereon."

77. The position of the United Kingdom with regard to the consideration of the question of the Falkland Islands (Malvinas) at OAS was stated in a letter dated 13 November 1995 from the Permanent Observer Mission of the United Kingdom to OAS addressed to the Chairman of the Permanent Council of OAS:

> "The position of the British Government on the question of the Falkland Islands is well known and remains unchanged. It was, for example, set out most recently by the British delegation in the United Kingdom right of reply to the statement to the United Nations General Assembly by the Argentine Minister for Foreign Affairs on 27 September. I am sure you will understand why the United Kingdom cannot accept the various resolutions and declarations adopted by the General Assembly of the Organization and referred to in the preamble and operative paragraph 1 of resolution 655 (104/95). I am sure that this matter will not inhibit the fruitful cooperation on a wide range of issues which we all desire."

Notes

[1] The information contained in the present paper has been derived from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 17 May 1999, as well as from the official documents of the Government of Argentina.

[2] See A/53/PV.8.

United Nations A/AC.109/1999/13

General Assembly

Distr.: General
4 May 1999

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

American Samoa

Working paper prepared by the Secretariat

Contents

			Paragraphs	Page
I.	General		1–3	3
II.	Constitutional and political developments		4	3
III.	Economic conditions		5–26	3
	A.	General	5–6	3
	B.	Public service	7–9	3
	C.	Public finance	10–11	4
	D.	Land tenure and agriculture	12	4
	E.	Fisheries	13	4
	F.	Industry	14–18	4
	G.	Transport and communications	19–23	5
	H.	Water system and utilities	24	5
	I.	Tourism	25	5
	J.	Financial institutions	26	5
IV.	Social conditions		27–38	6
	A.	Labour	27	6
	B.	Immigration	28	6
	C.	Public health	29–35	6

99-16492 (E) 160699

	D. Crime and crime prevention	36–37	6
	E. Housing	38	7
V.	Educational conditions	39–41	7
VI.	Participation in international organizations and arrangements	42	7
VII.	Future status of the Territory	43–47	7

I. General

1. American Samoa,[1] a Non-Self-Governing Territory of the United States of America, is located in the South Pacific approximately 3,700 kilometres south-west of Hawaii and 4,350 kilometres north-east of Australia. It consists of six islands (Tutuila, Aunuu, Ofu, Olosega, Tau and Rose) belonging to the Samoan group. Swains Island, 340 kilometres north of Tutuila, is administered as an integral part of American Samoa. The total land area of the Territory is 197 square kilometres, about 70 per cent of which is covered by dense forest. Lying near the Equator, between 13°E and 16°SE, American Samoa has a typical tropical climate with a wet and a dry season. Pago Pago, the capital and the site of one of the Pacific's greatest natural harbours, is located on Tutuila, the largest of the islands, where 90 per cent of the population lives.

2. American Samoa's population is growing rapidly. Its mid-year estimate for 1998 was 62,093, representing a 29 per cent increase since the 1990 census. This growth is the result of high immigration (estimated in 1998 at 4.11 per 1,000) and birth rates (2.74 per cent). Ethnically, the population breaks down into Samoan (Polynesian) (89 per cent), Caucasian (2 per cent), Tongan (2 per cent) and other groups (5 per cent). Fifty per cent of American Samoans belong to the Christian Congregationalist Church, 20 per cent are Roman Catholic and 30 per cent are Protestant and other denominations. The population speaks Samoan and English.[2] Rapid population growth places a strain on the public infrastructure and on the ability of the Government of American Samoa to provide necessary services.

3. American Samoans are United States nationals and may become naturalized United States citizens. The only substantial legal difference between a citizen and a national is that the latter, as a non-citizen, cannot vote in United States elections.

II. Constitutional and political developments

4. Information on constitutional and political developments in the Territory remained as reported in a previous working paper prepared by the Secretariat (A/AC.109/2023, paras. 4–9). Since January 1981, American Samoa has elected by direct vote a non-voting delegate to the United States House of Representatives. In November 1998, the current Democratic delegate, Faleomavaega Eni Hunkin, was re-elected for a sixth term in office.[3]

III. Economic conditions

A. General

5. American Samoa suffers from the same economic constraints, such as geographical isolation, scarce resources and vulnerability to hurricanes, common to most island societies in the South Pacific. Its economy depends on the tuna fish canning industry. Prospects for agricultural development are limited owing to the small amount of land suitable for cultivation. About 93 per cent of American Samoa's economy is based on United States federal expenditures and the anning industry, while the remaining 7 per cent stems from a small tourism industry and a few businesses. Local businesses are small and sell exclusively to the local market.[4] They face high costs owing to limited access to capital and the need to import most goods and raw materials. They are also vulnerable to competition from neighbouring islands with lower wage levels and from larger, more efficient businesses in the United States.

6. The territory is characterized by a low per capita income ($3,039) and a significant unemployment rate. The garment factory, which at one time employed 700 people, was forced to close in 1998, citing problems with United States import laws and local labour recruitment.[4] However, in 1998 the local economy expanded, with 388 new businesses being licensed, especially in the construction area.[5] The largest trading partner of American Samoa remains the United States, followed by New Zealand, Australia and Fiji. Imports are mainly food (22 per cent) and petroleum products (17 per cent), machine parts, building materials, textiles and clothing; canned tuna accounts for 97 per cent of exports.

B. Public service

7. According to the State of the Territory address delivered by Governor Tauese Sunia on 11 January 1999 before the Fono (legislature), at the end of 1998 the number of employees in the Government of American Samoa reached 4,788. Over the period under review, 369 people terminated their service with the Government through retirement, death or resignation. Of that number, 319 posts have been replaced, the remaining 50 vacancies representing the Government's forced reduction. The Government has

implemented a new classification system for its employees. The system provides for 10 additional steps to the three pay scales used in public service.[5] Apart from its usual responsibilities, the Government also manages power, water and sewer systems through the American Samoa Power Authority.

8. The main business of the Government is the management and distribution of federal income and capital subsidies. Civil service workers enjoy the highest wage rates in the Territory, making government work by far the most attractive job option for American Samoans. Many American Samoans with advanced degrees from the United States return to the Territory to work for the Government. A number of expatriates also work for the Government, especially in areas such as financial services where local expertise is scarce.

9. The Territorial Government is a Government with no local or municipal sub-levels. The Government is highly centralized and performs all basic governmental functions, but its role goes well beyond the provision of basic public services such as police protection and public infrastructure. Its roots lie in the traditional communal system, where leaders are responsible not only for preserving social order but for the extended family's economic welfare as well.

C. Public finance

10. The Treasury Department reported higher revenue collection from local taxes in 1998, while the Department of Commerce announced a trade surplus of $167.9 million for the same year. The surplus is $15 million higher than in 1997.[5] In order to further improve the Government's tax collecting system, at the beginning of 1999 the United States Department of the Interior provided the Government with a $400,000 grant.[6]

11. The United States House of Representatives approved the 1999 budget for American Samoa, containing $23 million for the operations of its Government and $10.1 million for the construction of capital improvement projects. These appropriations are the same as in fiscal year 1998. The Senate Committee on Appropriations approved the level of funding for capital improvement projects and reduced the funding for operations of the Territorial Government by $230,000. At the same time, the Senate Committee restricted the use of $2 million of the capital improvement projects money pending resolution of the debts owed to Hawaiian hospitals by American Samoa and the restructuring of the off-island medical referral programme.[7]

D. Land tenure and agriculture

12. Basic information on land tenure and agriculture is contained in a previous working paper prepared by the Secretariat (A/AC.109/2023, paras. 13–15). A total of 7,277 acres of land were registered with the Territorial Registrar in 1994. About 23 per cent were designated as government-owned, 25 per cent as communal or native, 25 per cent as individually owned, 14 per cent as registered for freehold owners and 14 per cent as church land.[8] In March 1999, the Fono approved a bill prohibiting nationals from neighbouring Samoa from acquiring land in the Territory in the future. The bill also changed the definition of "native American Samoans" for purposes of land ownership to mean full-blooded American Samoans from the main islands of American Samoa. This legislation was reportedly adopted to limit land ownership because American Samoans are prohibited from owning land in neighbouring Samoa.[9]

E. Fisheries

13. In 1994 there were 44 fishing boats in the Territory and 138 fishermen; over 300,000 pounds of fish were caught (compared with only 84,000 pounds in 1993).[10] In October 1997, the first long-line fishing boat owned and operated by American Samoa was put into operation, allowing it to compete with foreign long-line fishing vessels.[11]

F. Industry

14. Information on American Samoa's tuna-processing industry is contained in a previous working paper prepared by the Secretariat (A/AC.109/2023, paras. 16–18).

15. The giant United States tuna-processing company, StarKist Samoa, based in Pago Pago, initiated negotiations with the Government of Samoa in September 1998 to build a first-stage tuna-handling facility in Apia. The facility would improve the quality of fish exported to the StarKist cannery in American Samoa and help the company to meet United States and Japanese export standards.[12]

16. In July 1997, one of the Territory's two canneries, the Samoa Packing Tuna Cannery, along with its California-based parent company, Van Camp Seafood, was sold to Tri-Union for $92 million. The three shareholders of Tri-Union are Thai Union (50 per cent), the largest seafood cannery in Asia; Tri-Marine International, one of the largest tuna-trading companies in the world; and Edward Gann, an

independent United States-flag tuna purse-seine boat owner and operator.[13]

17. Other industrial activities in American Samoa are mostly service-oriented. There are a number of small factories processing soap, perfume and alcohol. In 1994, there were 2,188 registered businesses in the Territory, a drop of 3.8 per cent from 1993, of which retail trade accounted for 874, wholesale trade for 281, service establishments for 480 and transportation for 356 businesses.[14]

18. Attracting new industries and creating employment opportunities continued to be top priorities for the Territorial Government. At the same time, in 1998, the Government of American Samoa declared its intention to draft legislation aimed at controlling and limiting foreign-owned businesses in the Territory. Under the current laws, two foreigners can set up a business corporation with one local partner. However, in many cases, according to the Government, the local partner simply collects a retainer fee, while the running of the business is left to foreigners.[15]

G. Transport and communications

19. There are approximately 150 kilometres of paved roads and 200 kilometres of secondary roads in American Samoa. In 1994, there were 5,245 registered vehicles, of which 89 per cent were privately owned. There is non-scheduled bus service. The current five-year capital improvement programme has budgeted $1.1 million for fiscal year 1998 for the village rural development programme, with lesser amounts for the following years, totalling $2.16 million for 1998 to 2002.[4] The Department of Public Works has prepared a 1997 grant application for a comprehensive roadway drainage improvement programme.

20. Information on sea links and shipping companies is contained in previous working papers prepared by the Secretariat (A/AC.109/2023, paras. 22 and 23, and A/AC.109/2044/Add.1, paras. 41–44). The main commercial port facility in Pago Pago continues to deteriorate as a result of an inadequate maintenance budget. At present, capital improvement project funds are being sought to resurface the container yard and to develop an off-site container staging area. A port master plan, to be developed by the Port Administration, will lay the foundation for upgrading the port facilities to international standards. The Port Administration has improved the security and overall safety of the port facilities through the application of an identification badge system and a vehicle registration programme.

21. Pago Pago International Airport is owned and operated by the Territorial Government under the Department of Port Administration. It is well-maintained but needs a runway extension to allow fully loaded cargo and passenger aircraft to land and take off. The Federal Aviation Administration has already approved funding for extending the runway an additional 1,000 feet.[4] Several other airport improvement projects funded through the passenger facility charge will also be carried out. Pago Pago International Airport is regularly served by a number of airlines, which link American Samoa with Hawaii and the United States mainland, as well as with Australia, New Zealand and other countries in the South Pacific.

22. American Samoa, through the overseas communications satellite corporate link, has direct telephone dialling to most countries.

23. There are several weekly newspapers in the Territory in both the English and the Samoan languages. There is also a daily newspaper, the *Samoa News*.

H. Water system and utilities

24. Information on the water system and utilities is contained in previous working papers prepared by the Secretariat (A/AC.109/2044/Add.1, paras. 29–35, and A/AC.109/2080, para. 19). The number of water meters increased in 1994 by almost 2 per cent, as more homes were connected to the government water system. Gross electricity produced in the Territory in 1994 was 125 million kilowatt-hours, an increase of about 2.5 per cent from 1993.[16]

I. Tourism

25. Information on tourism is contained in a previous working paper prepared by the Secretariat (A/AC.109/2080, para. 20).

J. Financial institutions

26. Information on financial institutions in American Samoa is contained in a previous working paper prepared by the Secretariat (A/AC.109/2044, paras. 16 and 17).

IV. Social conditions

A. Labour

27. Information on the labour force in the Territory is contained in previous working papers prepared by the Secretariat (A/AC.109/2023, paras. 30 and 31, and A/AC.109/2044, para. 20). The labour force in the Territory, which has been increasing steadily since 1980, numbered 16,822 workers in 1994. The two largest employers are the Government and the two tuna canneries, which together provide approximately 65 per cent of the jobs.

B. Immigration

28. Information on immigration is contained in a previous working paper prepared by the Secretariat (A/AC.109/2023, paras. 32 and 33). Early in 1997, American Samoa's Governor announced an amnesty for illegal immigrants who had arrived in the Territory before 1 January 1997 if they applied for permanent resident status. In September 1997, over 2,300 residents participated in the Governor's amnesty programme, of whom a majority (1,820) were from neighbouring Samoa. As reported in the press, Governor Tauese instructed the Attorney-General to strictly enforce the immigration laws, which provide that 30-day permits can be renewed only once. After that, the visitor is mandated to leave the Territory.[17] The Governor is also seeking Fono approval of legislation upholding a five-year alien registration receipt card for alien spouses of United States nationals, permanent residents and children of United States nationals born in foreign countries. Currently, alien spouses of United States nationals must obtain a certificate of registration every year.

C. Public health

29. Information on public health is contained in a previous working paper (A/AC.109/2080, paras. 26–28).

30. The main hospital in the Territory, the Lyndon Baines Johnson Tropical Medical Centre, has 140 beds and a staff of 25 physicians. Medical, dental and pharmaceutical services are available 24 hours a day at minimal cost to residents and visitors. For serious cases, off-island treatment, including hospitalization in Guam, Hawaii or the United States mainland, is provided free of charge.

31. As was mentioned above, a significant part of the Government's indebtedness is related to costs associated with off-island medical referrals (see para. 11). In December 1997, medical officials in the United States-affiliated Pacific islands, including American Samoa, received access to a new Internet service at the Tripler Regional Medical Centre in Honolulu, Hawaii, to facilitate medical referrals and patient consultations. The secure Web site is open to physicians and other medical personnel in the United States-administered Territories of American Samoa and Guam.[18]

32. In 1994, outpatient visits to the Centre totalled 140,345, an increase of about 2 per cent from the 1993 figure. The emergency room continued to receive the most visits (42 per cent), followed by paediatric and dental clinics.

33. Life expectancy in American Samoa is about 72 years. The infant mortality rate for 1996 was 15.2 per 1,000. The crude birth rate for the same year was 27.8, down from 38.1 in 1992. Heart disease, cancer, cerebrovascular disease and traumas have been the leading causes of death.[4]

34. In view of the problems between the present territorial administration and the Fono regarding the establishment of the American Samoa Hospital Authority, as reported in a previous working paper (see A/AC.109/2080, paras. 26 and 27), the Governor established a five-member hospital governing board to manage the medical centre in order to release funds frozen by the federal Government until American Samoa established a hospital authority with rate-setting authorization. The funding freeze was ordered by the United States Congress in 1996. The United States Health Care Financing Administration provides about $3 million a year to the Lyndon Baines Johnson Tropical Medical Centre (about 16 per cent of all funding), and most of those funds are used to purchase most of the medicine and medical supplies used at the Centre.[19]

35. In September 1997, a dental health programme was launched in American Samoa's schools to combat tooth decay. A 1995 survey found that the Territory had the highest incidence of tooth decay among 12-year-olds in the South Pacific region. The new dental health programme will cover all public and private kindergartens and elementary schools.[20]

D. Crime and crime prevention

36. In 1994, a total of 2,121 offences were reported to the police, a decline of about 12 per cent compared with 1993. The most common offences were disorderly conduct, assault, burglary, larceny, drunken driving and property damage.[21] Recently, the police have recorded a significant increase in sex-related child abuse. About 88 per cent of prisoners in the

Territory are from the independent State of Samoa.[5] In 1998, Governor Tauese established the Office of Territorial and International Criminal Intelligence and Drug Enforcement, which is to operate independently of the regular police.

37. In February 1997, a new anti-drug bill was introduced in American Samoa providing for tougher penalties for drug-related crimes. The Office of Territorial and International Criminal Intelligence and Drug Enforcement is developing close cooperation with Interpol, the Federal Bureau of Investigation, United States Customs and other federal agencies with a view to improving its readiness to combat corruption in government and drug trafficking. In a related development, the federal Office of Community-Oriented Policing Services, administered by the United States Department of Justice, announced in August 1997 a grant of $563,625 to the American Samoa Department of Public Safety. The grant can be used to pay 75 per cent of the cost of hiring additional officers for a three-year period.[22] In January 1999, The Department of Public Safety enrolled 81 police trainees for the Twenty-sixth Police Academy.[5]

E. Housing

38. In 1994, a total of 674 land-use permits were issued. There were 187 permits for new structures. The total estimated value of all construction excluding government projects, was $14 million.[23]

V. Educational conditions

39. The educational system in American Samoa is broadly based on the United States pattern of eight years' attendance in elementary school and four years' enrolment in high school. In 1998/99 academic year, enrolment in public schools alone reached 16,104 students.

40. The American Samoa Community College, established in 1970, offers two-year degree courses in arts and sciences and programmes offering certificates of proficiency in vocational and clerical skills, business and nursing. At the end of 1994, the College had more than 1,400 students. In the 1998/99 academic year, the College's enrolment reached an all-time low of about 770 students.[24]

41. In June 1997, the United States Department of Education's Literacy Challenge Fund awarded American Samoa a grant of $240,930 to improve computer facilities at schools. The grant will be used to provide students with CD-ROM capability and worldwide Internet access.

VI. Participation in international organizations and arrangements

42. Information on American Samoa's participation in international organizations and arrangements is contained in a previous working paper prepared by the Secretariat (A/AC.109/2023, paras. 40–43).

VII. Future status of the Territory

43. In a statement made in 1993, the Lieutenant-Governor of American Samoa indicated that American Samoa preferred to remain a Territory of the United States (see A/AC.109/1159, paras. 25–31). This position remains unchanged. In February 1999, the United States Government appointed former Hawaii governor John Waihee to head an economic advisory commission to suggest policies for expansion and diversification of the Territory. Its primary task is to develop a detailed plan that would bring self-sufficiency to American Samoa.[25]

44. On 8 October 1997, in his statement to the Special Political and Decolonization Committee (Fourth Committee), the representative of the United States said that circumstances unique to the situation of each particular Non-Self-Governing Territory should be considered. There were various legitimate forms of self-government short of full independence that benefited the people of both the administering Power and the Non-Self-Governing Territory.

45. On 27 October 1997, in another statement made to the Fourth Committee in connection with the consideration by the Committee of a draft resolution on small Non-Self-Governing Territories, including American Samoa, the representative of the United States proposed a correction to the draft resolution. He recalled that the original consensus resolution had begun with two preambular paragraphs that read:

> "*Noting* the report by the administering Power that most of the American Samoan leaders had expressed satisfaction with the island's present relationship with the United States of America"

and

> "*Noting also* the non-participation of representatives of the peoples of American Samoa in the last two regional seminars".

In his view, given the importance of recognizing the point of view of the people of the Territory, their understanding of their current situation and the evolution of their notion of

self-determination, he felt it important to maintain the original two preambular paragraphs, which took into account the views of the American Samoan leaders.

46. On 3 November 1997, the Rapporteur of the Special Committee proposed revisions to the draft resolution on small Non-Self-Governing Territories, which included the aforementioned corrections proposed by the representative of the United States with regard to the section on American Samoa. At the same meeting, the omnibus draft resolution on small territories was approved by the Fourth Committee without a vote, as orally revised (see A/C.4/52/SR.6, 7, 9 and 11).

47. On 3 December 1998, the General Assembly adopted without a vote resolution 53/67 B, a consolidated resolution on 10 Non-Self-Governing Territories, section I of which is devoted specifically to American Samoa (see A/53/PV.78).

Notes

[1] The information contained in the present working paper was derived from published sources.

[2] *World Fact Book* 1997, Central Intelligence Agency.

[3] *Samoa News*, 4 November 1998.

[4] Submission by the United States of America on American Samoa, April 1999.

[5] *Samoa News*, 15 January 1999.

[6] Ibid., 9 March 1999.

[7] Ibid., 24 July 1998.

[8] *American Samoa Statistical Digest* 1995, p. 91.

[9] Agence-France Presse, 31 March 1999 (NEWSEDGE).

[10] *American Samoa Statistical Digest* 1995, p. 173.

[11] Pacific Islands Development Project, 14 October 1997.

[12] *Samoa News*, 16 September 1998.

[13] Ibid., 11 July 1997.

[14] *American Samoa Statistical Digest* 1995, p. 205.

[15] *Samoa News*, 2 December 1998.

[16] *American Samoa Statistical Digest* 1995, p. 212.

[17] *Samoa News*, 27 August 1998.

[18] Pacific Islands Development Project, 24 December 1997.

[19] *Samoa News*, 2 and 13 September 1997.

[20] *PACNEWS*, 28 September 1997.

[21] *American Samoa Statistical Digest* 1995, pp. 74 and 75.

[22] *Samoa News*, 26 August 1997.

[23] *American Samoa Statistical Digest* 1995, p. 91.

[24] *Samoa News*, 20 April 1999.

[25] Reuters, 12 February 1999.

United Nations A/AC.109/1999/14

General Assembly

Distr.: General
14 June 1999

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Guam

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–2	3
II.	Constitutional and political developments	3–11	3
	A. General	3–7	3
	B. Political parties and elections	8	3
	C. Constitutional status and developments	9–11	3
III.	Activities related to the withdrawal of military bases	12–16	4
IV.	Economic conditions	17–36	4
	A. General	17–18	4
	B. Gross island product	19	5
	C. Employment	20	5
	D. Tourism	21–22	5
	E. Public finance	23–28	5
	F. Infrastructure	29–36	6
V.	Environment	37–42	7
	A. Guam Wildlife Refuge	37–40	7
	B. Contaminated soil	41	7

99-17823 (E) 250699

	C. Coastline and coral reefs	42	7
VI.	Banking and finance	43	7
VII.	Land issue	44–45	7
VIII.	Social conditions	46–57	8
	A. Education	47–51	8
	B. Health	52–55	8
	C. Crime and drugs	56–57	8
IX.	Future status of the Territory	58–68	9
	A. Draft Commonwealth Act	58–59	9
	B. Position of the administering Power	60	9
	C. Position of the territorial Government	61–62	9
	D. Action by the General Assembly	63–68	10

I. General

1. Guam[1] is the southernmost and largest of the Mariana Islands in the Pacific, situated about 1,350 miles south of Tokyo and 3,300 miles west of Honolulu. It consists of a single island of approximately 212 square miles. It is composed of two distinct geological areas of about equal size. The northern part of the island is a high coralline limestone plateau and contains the northern water lens, capable of supplying plenty of fresh water. The southern region is mountainous. Apra Harbour, which is located on the central western side of the island, is one of the largest protected harbours in the Pacific and is considered to be the finest deep water port between Hawaii and the Philippines. The capital city is Agana.

2. The population of Guam was estimated by the United States Bureau of the Census in mid-1997 to be 146,328, with a growth rate of 1.9 per cent.[2] The ethnic and racial composition of Guam's population is 47 per cent Chamorro, 25 per cent Filipino, 10 per cent white and 18 percent Chinese, Japanese, Korean and other groups.[3]

II. Constitutional and political developments

A. General

3. The United States Congress enacted the Guam Organic Act in 1950, which established institutions of local government and made Guam an organized Territory. Guam is an unincorporated Territory, since not all provisions of the United States Constitution apply to the island. The Territory is administered by the Department of the Interior.

4. Guam has a locally elected government.[3] It comprises separate executive, legislative and judicial branches. Universal suffrage with respect to local elections applies to Guamanians 18 years and older. As Guamanians are nationals rather than citizens of the United States, they are not eligible to vote in the United States presidential elections while resident in the Territory. The people of Guam elect a Governor, who serves a four-year term. The island elected its first Governor in 1970. The Governor is responsible for the general supervision and control of the executive branch and submits an annual report to the Secretary of the Interior for transmission to Congress. The Governor may issue executive orders and regulations, recommend bills to the Legislature, make his views known to that body and veto legislation.

5. The people also elect 21 senators who serve two-year terms in a unicameral Legislature. The Legislature may override the Governor's veto. Under the Organic Act of 1950, the United States Congress reserves the authority to annul any law enacted by the Guam Legislature.

6. In 1972, a new law gave Guam one delegate to the United States House of Representatives. The Delegate may vote in committee but not on the floor of the House. The non-voting delegate to the United States Congress also serves a two-year term.

7. The local judicial system is made up of a Superior Court and a Supreme Court led by judges appointed by the Governor. Local judges are subject to confirmation by the voters every six years. The United States District Court for Guam is headed by a District Court Judge appointed by the President of the United States.

B. Political parties and elections

8. The two political parties are the Republican Party, led by Joseph Ada, and the Democratic Party of the Governor, Carl T. C. Gutierrez. The Lieutenant-Governor is Madeleine Bordallo. The last election was held in November 1998, and Governor Gutierrez was re-elected. However, the results were contested over voting discrepancies and claims that Mr. Gutierrez failed to garner the 50-per-cent-plus-one majority required under the Organic Act. On 19 April 1999, the Ninth Circuit Court of Appeals upheld an earlier ruling that Guam voters deserved a run-off election because Governor Gutierrez had failed to get the required majority of votes.

C. Constitutional status and developments

9. Two referendums have been held on the island's status, in 1976 and in 1982.[4] In August 1987, in a referendum on the provisions of a draft law aimed at conferring the status of Commonwealth on the Territory, voters approved the central proposal, but rejected articles empowering the Government of Guam to restrict immigration and granting the indigenous Chamorro people the right to determine the island's future political status. In a further referendum in November 1987, both outstanding provisions were approved. Negotiations between the Guam Commission for Self-Determination and the United States continued throughout 1988 and 1989. The Commission also raised the question of military bases on the island, in particular the United States Naval Air Station, which, in its view, should be returned to civilian use.

10. As a consequence of the implementation of separate Compact of Free Association agreements between the United States and the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau, since 1986, migrants from those three Pacific island nations have freely associated with the United States, and their American-born children have settled in Guam, Hawaii and the Commonwealth of the Northern Mariana Islands, straining the resources of the recipient States and Territories,[5] and have lawfully engaged in occupations as non-immigrant aliens. As a result, Guam's resident alien population is estimated to have increased by about 7,000 since 1986.[6] In order to address the situation the Office of Insular Affairs has made technical assistance grants to Guam and other Compact Territories, with additional funding appropriated to the two island jurisdictions (Guam and the Commonwealth of the Northern Mariana Islands) by the United States Congress.[7]

11. Additional information on the Constitution and the territorial Government is contained in other working papers prepared by the Secretariat. (A/AC.109/2018, paras. 5–13 and A/AC.109/2113 paras. 31–34). Information on more recent developments concerning the Commonwealth status of Guam, is contained in paragraphs 60 and 61 below.

III. Activities related to the withdrawal of military bases

12. According to a 1997 economic report prepared by the Bank of Hawaii, the military downsizing called for by the 1995 base closings and realignment programme has largely been completed. The report characterizes Guam's bases as an important segment of the economy, which, given the Territory's dependence on the unpredictable business of tourism, serve as a counterforce to market swings.[8]

13. Currently, the United States Navy and Air Force jointly maintain bases in Guam, with 7,235 persons in uniform (excluding reservists or National Guard personnel), the majority of whom are naval personnel.[9] With dependants, this number extends to 15,000. There are nearly 5,000 civilian employees and approximately 2,000 retirees. By early 1997, Guam had lost roughly 2,000 civilian jobs since the 1995 national base realignment and closures initiative, which largely affected the Navy. According to a recent estimate, Guam's services-dominated economy requires the creation of 2.5 jobs for each job in the military, in order to generate the same income benefit.[9]

14. In addition to jobs, direct income and benefits, the military contributes to the local economy as a retailer and collector of federal taxes for Guam. In 1996, total military exchange sales amounted to $141.1 million, roughly 8 per cent of the Territory's total retail sales. Since Guamanians do not vote in national United States elections, they are exempt from federal taxes, which are, however, collected from military personnel and other federal workers, who must file federal tax returns with the money reverting to the territorial treasury. In fiscal year 1996, such taxes amounted to $46.2 million.[9]

15. According to press reports,[10] Guam's share of the 1999 military construction budget includes more than $23.4 million in construction funding and $13.1 million for special schools for the children of military personnel. The House Armed Services Committee is currently proceeding with the annual mark-up of the fiscal year 2000 Defense Authorization Bill; it is expected that the National Guard (Guam Army) and the Army Reserve Unit will receive special attention, along with other projects, and will receive an additional $90 million.[11]

16. Meanwhile, the ongoing military downsizing and the slow return of land by the Navy continue to cause concern and debate. On the one hand, they are expected to hurt the economy because of the shortfall in revenue and the loss of jobs, while on the other, a more expedient handover of deteriorating facilities on lands held by the military would expedite land development projects, including a proposed free trade zone and the construction of affordable housing.

IV. Economic conditions

A. General

17. According to the administering Power, the residents of Guam have seen many improvements in the island's standard of living over the last several years. Guam's overall economic success, however, has its less beneficial aspects. Rents and land prices are much higher than in most mainland communities. The inflation rate had been higher than on the mainland, but the newly constituted consumer price index shows recent inflation at near mainland rates.

18. Guam's economy suffered a downturn in 1997 following a Korean Airlines crash, typhoon Paka and the Asian financial crisis, all of which slowed tourist arrivals. Tourist arrivals continued to decline in 1998 as the Asian crisis intensified.

B. Gross island product

19. According to the submission received from the administering Power, Guam's gross island product has been stagnant at about $3 billion since 1992, after an increase of 75 per cent from 1988 to 1992.

C. Employment

20. Total employment declined from 67,032 in 1966 to 66,503 in 1997. Both public and private sectors experienced lower employment, with the private sector at 47,420 and the public sector at 19,083. Public sector employment has been declining for several years owing to military downsizing, while local government employment has remained nearly constant. The unemployment rate remained high, at 8.5 per cent in mid-1997. Total personal income increased slightly in 1996 to $2,264 million, while per capita income showed a slight decline, to $10,512.

D. Tourism

21. The recent growth in visitor arrivals triggered a boom in the building of hotels and other facilities. The 7,052 hotel rooms in Guam, as of 1996, represented an increase of almost 10 per cent from 6,452 in 1995, and 1997 saw a further increase to 7,415. The building boom contributed to a decline in the room occupancy rate from 85 per cent in 1996 to 79 per cent in 1997, and a further decline in 1998. In 1997, the hotel occupancy tax generated $27.6 million for the local government, up from $21 million in 1995.

22. The Asian economic crisis has meant fewer Japanese travellers to Guam during 1998. Japanese tourists comprise 80 per cent of Guam's total visitor market.[12] The Guam Visitor's Bureau anticipates competition from other Asian vacation spots and plans to keep pace with attractive activities and prices. Tourist arrivals in Guam fell dramatically during 1998 according to preliminary statistics from the Guam Visitors Bureau. A total of 72,107 visitors arrived in October 1998, showing a decline of 29 per cent over the same month last year, and 17.6 per cent for the year through October. Occupancy rates were 71 per cent, down 8 per cent.[13]

E. Public finance

23. The Territory's general fund has run deficits during most of the last 10 years, with the shortfall increasing in the period 1992–1994 from $51 million to $184 million annually. By the end of 1996, according to the Guam Finance Commission, the deficit was down to approximately $90 million. Deficits have resulted from a steady rise in government spending at the same time that the tax base has fluctuated with changes in business cycles.[14]

24. According to the report of the United States Bureau of the Census on federal expenditures by state and Territory, direct federal grants to the Government of Guam in fiscal year 1997 amounted to about $125 million. These include major grants from the United States Departments of Education, Health and Human Services and Transportation, among others.

25. Guam's economic recovery has been complicated by Department of Defense cutbacks over the past three years. While the downsizing was expected to continue in 1998, it was likely to be at a more modest rate. As United States defence spending and jobs on the island decline, the private sector has been able to absorb most of these workers.

26. By the end of 1996, the general fund deficit had been reduced to $90 million, and vendors were being paid on time. Autonomous agencies of the Government of Guam, including the Guam Airport Authority and the Guam Power Authority, have issued bonds for capital work in the past several years. Total bond indebtedness of the Government of Guam and autonomous agencies is estimated at about $850 million.

27. The Government of Guam is currently undertaking a Financial Management Modernization Programme with a view to establishing a comprehensive, fully integrated financial management system that will ensure the integrity of information for decision-making and for measuring performance. The Programme, under the leadership of the Guam Finance Commission, was initiated in October 1995. It includes an information technology plan, reform of the budget process, and defining the requirements for a new financial information system, as well as its development and implementation, and the development and implementation of several economic and fiscal analysis models.

28. The Government of Guam is also attempting to improve its audit capability. The Government has established an office of an independent auditor, but it is neither adequately funded nor fully staffed. The Government has yet to develop a sufficient capability to implement fully the requirements of the Single Audit Act. Audit coverage in

Guam, as reported by the administering Power, has been undertaken by the Department of the Interior's Inspector General and by contracted private certified public accounting firms.

F. Infrastructure

Roads

29. The Guam 2010 Highway Master Plan calls for capital investments in the primary roads and highway system estimated to cost $470 million over the next two decades. A large portion of the funding for these highway construction and maintenance projects will come from bond issues backed by fuel taxes and vehicle registration fees that are allocated to the Department of Public Works. The Department of Public Works has recently submitted an application for maintenance assistance funds to hire a consultant to develop a comprehensive highway management system to better manage highway construction and maintenance.

Airport

30. The A. B. Won Pat Guam International Air Terminal and surrounding facilities are administered by the Guam Airport Authority. The airport facilities are first-rate, but the growth in passenger arrivals and cargo warrants increasing the capacity of the facilities. Guam has recently expanded its airport aprons to alleviate the problems of aircraft waiting in the taxiways.

31. The Guam Airport Authority has also tripled the size of the airport with a $253 million new terminal, increasing the number of passenger gates to 17. The facility now handles some 2,000 flights a month. The airport is a regional aviation hub and a base of operations for Continental Micronesia, the regional carrier.

Seaport

32. The Port Authority of Guam administers the commercial port facilities at Apra Harbour. The Port Authority of Guam is a public corporation and an autonomous agency of the Government of Guam. Guam's port is a major trans-shipment centre of the western Pacific and is equipped to move containerized bulk and tuna cargo efficiently. The port has, in recent years, seen an average annual increase of 23 per cent in cargo. The Port Authority of Guam is expanding its container yard and is planning to spend $100 million in reconstruction activities through the year 2005.

Power generation and distribution

33. The Guam Power Authority, an autonomous agency of the Government of Guam, is responsible for providing electricity throughout the island. The tremendous pace of development on Guam has put a strain on existing power facilities. The Guam Power Authority has listed power generating increases of 178 megawatts to be put on line by the end of the decade.

Water system

34. Approximately 74 per cent of the water produced on Guam is provided by the Guam Waterworks Authority. The remainder is produced by the Air Force and Navy installations on Guam. The Government's water sources are groundwater and surface water (Ugum River). The Navy water source is a surface reservoir (Fena Lake) in the southern part of the island. The Guam Waterworks Authority water originates primarily in an aquifer known as the northern lens, which is tapped by 94 active wells. According to the Guam Waterworks Authority well monitoring report, about 26 million gallons per day are currently pumped from the northern lens. The $12 million Ugum River project at the southern end of the island, completed a few years ago, added an additional 1 to 2 million gallons per day of potable water to Guam's daily supply.

35. As a result of the 8 August 1993 earthquake, the Governor ordered a $10 million emergency programme to install generators at approximately 146 facilities, water wells, water booster pumps, sewage pump stations and wastewater treatment plants. This work is currently proceeding under private contract, but it is being administered by the Guam Power Authority, since it will maintain the facilities after completion of the installations. In the aftermath of the earthquake, major water leaks were repaired immediately and a follow-up contract for a leak detection programme for the entire water system is approximately 25 per cent complete. The leak detection programme is being paid for by funds appropriated by the Guam Legislature.

36. Under the Compact Impact of Free Association Act of 1985 (see para. 10), Guam is receiving an annual amount of $4,580,000 from the mandatory covenant funding for capital infrastructure projects as impact aid for Guam. As of August 1997, a total of $1,840,000 had been dedicated to water system improvements. The projects are the Anao Point waterline, the Lupog water project and the Mataguac waterline project.

V. Environment

A. Guam Wildlife Refuge

37. The establishment of the Guam National Wildlife Refuge by the United States Fish and Wildlife Service has been an issue of some contention since 1996. The Refuge is the result of several years of effort by the Department of the Interior to address concerns of Guam leaders and national environmental groups for preservation of several endangered bird species on the island. The Refuge consists of 22,873 acres. About 22,502 acres are an "overlay" jurisdiction on Department of Defense lands, while the remaining 371 acres at Ritidian Point are held directly by the Fish and Wildlife Service.

38. Many Guam leaders, including the current Governor and the delegate to Congress, oppose federal control of the Refuge, and would prefer it to be under local control. These leaders also object to the transfer of 371 acres of land formerly held by the Department of Defense at Ritidian Point to the Department of the Interior as part of the Refuge.

39. In September 1997, after a Guam Superior Court order requiring unfettered access, gates leading to the Guam Wildlife Refuge were vandalized. The matter was moved to the United States District Court, and settlement discussions between the United States and Guam continue.

40. In October 1997, a hearing was held on a bill that would give the Government of Guam a right of first refusal to obtain Federal excess lands on the island. The legislation specifically excludes any lands contained in the Guam Wildlife Refuge.

B. Contaminated soil

41. Nineteen environmentally damaged areas on Guam are to be cleaned by the United States Naval Forces.[15] The Navy continues to test and clean land to be turned over to the Government of Guam by early 2000. About 250 cubic yards of contaminated soil is to be removed from the old ship repair facility site at Apra Harbour by November 1999. Ground water tests will be conducted during the year to detect possible arsenic contamination from reported perforated drainage pipes that leach waste water into Apra Harbour and to determine levels of metal contaminants.[16] The Navy has also stepped up its cleanup plan for the old Agana power plant in Mongmong after preliminary tests showed high levels of contaminants in the soil near the plant. The Navy is testing for polychlorinated biphenyls (PCBs) and dioxin.[17]

C. Coastline and coral reefs

42. Over the last several years, pollution of beaches, coastal waters and coral reefs has raised concerns over the impact on health and tourism. Pollution is suffocating the coral reefs and inhibiting marine life. Sources of contamination include sewage from septic tanks and leaking sewer lines and chemical contaminants from fertilizers and sewage. Pollution of the freshwater lens also puts the drinking water supply at risk. According to press reports, the Guam Environmental Protection Agency officials say that the pollution problems are not widespread, but the pace of development may cause a bigger problem in the future. Various recommendations have been made to the Government of Guam for dealing with the deteriorating environment.

VI. Banking and finance

43. According to the information received from the administering Power, Guam's economic expansion has raised local investment capacity. Guam's newly increased ability to generate capital from local sources will be important in sustaining the island's growth. Bank deposits on Guam have grown steadily, reaching $1.46 billion in 1997. Bank loans also increased to $2.58 billion in 1997. According to Guam's single audit report, the general fund had a surplus of $19.6 million in fiscal year 1996, lowering the accumulated deficit to $74 million. The balance for fiscal year 1997 is not yet available. The general fund received $53.4 million in federal grants in fiscal year 1996.

VII. Land issue

44. Information on the land issue is contained in a previous working paper prepared by the Secretariat (A/AC.109/2086, para. 29). In his statement before the Fourth Committee on 10 October 1997 (see A/C.4/52/SR.6), Robert Underwood, Guam delegate to the United States Congress, stated that the current process concerning the return of surplus federal lands to the Government of Guam in fact allowed federal agencies to bid for those excess lands ahead of Guam.

45. As stated by the Governor in his 1998 state of the island address, the Government is implementing the

Chamorro Land Trust. It has signed over 1,200 Chamorro Land Trust leases, including 244 agricultural leases and over 1,000 residential leases. Thirty-eight families have been licensed to return to their ancestral homesteads and the Government continues to support the landowners on Ritidian Point in their efforts (see paras. 37–40).

VIII. Social conditions

46. Information on social conditions is contained in a previous working paper prepared by the Secretariat (A/AC.109/2086, paras. 30–40).

A. Education

47. Over the past three years, the Government has opened new schools, delivered new school buses and supported the education infrastructure, committing over $150 million to support education.[18]

48. However, Guam elementary school students, it is reported by the media, perform poorly on standardized tests. In the first and fifth grades, Guam students test at about the twenty-seventh percentile in the United States. By the ninth grade, Guam students fall about four percentile points as compared to the United States national average. A report by the National Assessment of Educational Progress on Guam's results indicates absenteeism may be affecting the success of the island's middle-school students.[19]

49. The new Eskuela-ta Reform Act is meant to restructure the island's educational system. The goal is to give more decision-making power to schools, principals, students and parents.[20]

50. Press reports[21] indicate that a new law, the Higher Education Amendments Act of 1998, is expected to have a positive impact on higher education in Guam. The law will allow students from the freely associated States to continue to receive federal Pell Grants at least through the year 2000 and will increase the maximum amount of the grants from $3,000 to $4,500 annually. It will also affect Guam Community College by removing all federal restrictions on the College's deed to 314 acres of excess land, freeing the college to develop the land as a new campus.[21]

51. In March 1999, Congress passed House resolution 800, the Education Flexibility Partnership Act of 1999, known as Ed-Flex. According to Guam's Congressman, this would allow States and Territories to waive some federal regulations and requirements that impede locally driven improvement efforts. In the case of Guam, it would free the school system from some reporting requirements and allow it to conduct its educational business according to its unique needs. It will not bring additional federal education funding to Guam; instead it allows Guam more flexibility to use the federal assistance it receives.

B. Health

52. The Government has made steady progress in putting Guam Memorial Hospital back on a sound financial footing and in making improvements that would lead to its accreditation.

53. About $1.1 million in federal money is expected to go to Guam to offset the costs of health insurance for children without such coverage, according to the office of Guam's Congressman. But the money is not enough to cover the estimated 5,000 children who are eligible for the programme.[22] In March 1999, the federal Government approved Guam's plan to provide such coverage and gave $375,000 to Guam for the purpose under the Children's Health Insurance Programme (CHIP). It is reported that Guam has opted to use its CHIP allocation to expand its Medicaid programme to children receiving services through a Territory-funded programme. The availability of CHIP funds will help the Territory serve more children. The local government will not expand income limits, but instead will expand the number of children served. In Guam, the current income level characterized as needy for a family of four is $17,232 — slightly higher than in the continental United States.

54. Other federal programmes approved by the Health and Human Services include grants to help develop and support shelters for women who are victims of domestic violence.

55. According to press reports,[23] there is scant information on the global HIV/AIDS epidemic in the South Pacific islands owing to poor surveillance and cultural taboos. Data compiled by the secretariat of the Pacific Community shows Guam has 108 HIV cases and 49 cases of AIDS.

C. Crime and drugs

56. It has been reported[24] that Guam's crime rate has declined in the past year, according to new statistics released by the Guam police department. There was a 30 per cent decrease in major crimes reported from January to September 1998 compared to the same period in the previous year. The number of reported offences in the major crime

categories, including murder, rape, robbery, aggravated assault, burglary, larceny, theft, motor vehicle theft and arson, as estimated for the first three quarters of 1998, is 7,036. The police department attributes the drop in crime to the increase in officers on the streets, more neighbourhood patrols and activation of a new highway patrol section. The prevalence of drugs on the island is perhaps the single most significant factor affecting crime rates. The largest crime rate increase in recent years came in 1997. To combat the island's drug problem, the police department continues to run preventive and outreach programmes.

57. Guam's Congressman recently announced that Guam would be one of the 147 jurisdictions to receive federal money to develop a federal drug court programme. The Superior Court of Guam, which has already established a locally funded drug programme, is slated to get $30,000 to support its efforts.

IX. Future status of the Territory

A. Draft Commonwealth Act

58. Guam's quest for Commonwealth status has been through the Commonwealth Act. The Guam Commonwealth bill, which contains the details of the proposed Commonwealth relationship, has been introduced in every Congress since 1988 by the delegate from Guam. In 1992, the proposed change of status received further support from certain sectors of the business community interested in developing Guam as an offshore financial centre under a Commonwealth status, which would then permit new tax laws.

59. Detailed information on the political status referendum of 30 January 1982, and on the draft Commonwealth Act, as well as on the negotiations related thereto between the territorial Government and the administering Power during the period from 1986 to 1994 are contained in previous working papers prepared by the Secretariat (A/AC.109/1192, paras. 19–37 and A/AC.109/2018, paras. 74–83). Additional information for 1995–1997 is contained in a previous working paper prepared by the Secretariat (A/AC.109/2086, paras. 42–44).

B. Position of the administering Power

60. On 20 October 1997, the House Resources Committee held the first hearing since 1989 on House resolution 100, the Guam draft Commonwealth Act. Interior Deputy Secretary Garamendi testified on behalf of the Administration. He clarified the constitutional and policy parameters of what the Administration can and cannot support in Guam's Commonwealth proposal. While noting that the Commonwealth negotiations have resulted in a creative and pragmatic approach towards the United States, Deputy Secretary Garamendi also testified that the Administration could not support certain key concepts underlying the original Commonwealth bill:

(a) Legally binding the Congress or the Executive Branch to seek the consent of the Commonwealth Government before modifying the act creating the Commonwealth of Guam, or before applying any future federal law, regulation or policy to Guam;

(b) Providing for a legally binding, Government-sponsored or endorsed vote on the ultimate political status of Guam, in which only one group may participate to the exclusion of other United States citizens residents of Guam;

(c) Transferring federal control over the adoption and enforcement of immigration and labour policies to the Commonwealth Government;

(d) Creating a joint commission under Guam's control that would have the authority to issue final determinations on the application of federal policies to Guam, or to determine military lands to be transferred to the Commonwealth Government.

C. Position of the territorial Government

61. In a statement for the record submitted by the Guam Commission on Self-Determination to the United States House of Representatives Committee on Resources on 29 October 1997, the Commission defined Guam's process of decolonization in the following way:

> "The Guam Commonwealth Act creates a mechanism whereby the United States Congress would approve of the Constitution of the Commonwealth of Guam, including a provision which recognizes the right of the Chamorro people to select an ultimate political status. The language of the Commonwealth Act characterizes 'Chamorro' as persons (or descendants of persons) who were born in Guam prior to 1 August 1950. It is anticipated that the exercise of Chamorro self-determination would be a one-time vote on an ultimate political status for Guam. Guam's decolonization would result from the implementation of a status selected by the Chamorro people."[25]

62. On 10 October 1997, in their statements before the Special Political and Decolonization Committee (Fourth Committee) (see A/C.4/52/SR.6), the elected representatives of Guam and the representatives of Guam's non-governmental organizations participating in the hearings on decolonization emphasized that Commonwealth status for Guam was an interim measure, as it did not meet the internationally recognized standards for decolonization, nor was it independence, free association or full integration; it would provide a transitional Government that would facilitate the eventual decolonization of Guam.

D. Action by the General Assembly

63. In a statement to the Fourth Committee on the question of Guam (see A/C.4/53/SR.4), the representative of Guam to the United States Congress called on the Committee to give favourable consideration to the stand-alone resolution on Guam and to include language recognizing the role of the Chamorro people in the decolonization of Guam. He recalled that each time the case of Guam had been presented, the United States had decided that its own domestic laws, its own interpretation of democracy and its own view of how to conduct elections superseded that process. He also said that the decolonization of Guam should no doubt include a role for the United States, but the process that had begun in the United Nations should not be dismissed. The people of Guam encouraged the dialogue to continue, but they also needed concrete recognition that their democracy had matured, that their rights should be recognized and that decolonization should be brought to a closure for the indigenous people of Guam.

64. Referring to the Guam Commonwealth Act (ibid.), elected representatives of Guam and the representatives of Guam's non-governmental organizations participating in the hearings on decolonization, emphasized that the administering Power had rejected their proposal for a framework for decolonization and had rejected providing Guam with more autonomy in the meantime. They noted that core issues were land use and immigration. In their view, the administering Power had made no proposals to limit the number of migrants to Guam nor, had it made any effort to return lands to their original owners. Further, representatives indicated that for the implementation of the process of achieving self-determination a plebiscite would be held on Guam's post-colonial status, with the participation of eligible voters residing on the island. The plebiscite was scheduled for 12 December 1999. The registration of eligible Chamorro voters would be carried out by the Guam Election Commission in consultation with the Chamorro Registry Advisory Board. The establishment of a registry of voters was necessary in view of the administering Power's introduction of settlers and immigrants.

65. Petitioners also urged that the Committee adopt the draft resolution before it and continue to consider the question of Guam separately. They noted with satisfaction paragraph 1 of the draft resolution, which called upon the administering Power to cooperate with Guam's Commission on Decolonization for the Implementation and Exercise of the Chamorro Self-Determination in order to facilitate Guam's decolonization.

66. The United States representative (see A/C.4/53/SR.5) supported the right of the people of Guam — all the people of Guam — to seek full self-government if they so desired. The draft resolution on Guam focused on the interests of only one segment of Guam's population: the segment that was related to the Chamorro people. The United States supported the right of all the residents of Guam to express their views on the issue of the Territory's decolonization. It also supported the stable development of all forms of economic activity by all residents of Guam, regardless of how long they had been permanent residents on the island.

67. Further, the representative of the United States said (see A/C.4/53/SR.7) that while his delegation was fully aware that Guam was a Non-Self-Governing Territory that aspired to a clearer definition of its status and perhaps to an eventual decision by the people for independence, it wished to specify that those people themselves had expressed, through their elected representatives, their desire to strengthen their status as a Commonwealth of the United States. He referred to the close ties between Guam and the United States, for evidence of which it was necessary to look no further than the forthcoming visit of the President of the United States to the Territory and a draft resolution that had recently been submitted to the United States Congress by a representative, Mr. Underwood, to commemorate 100 years of friendly relations between Guam and the United States. The resolution in question had been prepared jointly by the people of Guam and the people of the United States, acting through their elected representatives in Congress. He asked the members of the Committee to try to appreciate his delegation's tireless efforts to arrive at a consensus, both on the matter of the consolidated draft resolution and on the question of Guam and the other decolonization issues.

68. On 3 December 1998, the General Assembly, adopted without a vote, resolution 53/67 B, section VI of which concerns Guam.

Notes

[1] The information contained in the present working paper was derived from information submitted by the administering Power under Article 73 *e* of the Charter of the United Nations (April 1999) and published sources, including Internet sites.

[2] United States government information.

[3] Guam Web site "Welcome to Guam".

[4] *World Europa Yearbook 1996*, vol. II.

[5] Pacific Island Development Program/Country Policy Information System, January 1998.

[6] United States submission, April 1999.

[7] Ibid. The representative from Guam, Robert Underwood, questioned figures in the Office of Insular Affairs report, putting the number of Compact migrants in Guam at 8,000 (Pacific Island Development Program/Country Policy Information System, January 1998).

[8] Ibid., p. 9.

[9] In 1993–1994, total uniformed personnel strength on Guam was almost 11,500 persons (see *Guam economic report*, September 1997, p. 18).

[10] *Pacific Daily News*, 24 September 1998.

[11] Press release, Congressman Underwood, 12 May 1999.

[12] *Pacific Daily News*, 12 July 1998.

[13] Ibid., 14 November 1998.

[14] See pie-chart in *Guam Economic Report*, September 1997, p. 18.

[15] *Pacific Daily News*, 30 July 1998.

[16] Ibid., 26 August 1998.

[17] Ibid., 19 December 1998.

[18] The Governor's state of the island address, 1998.

[19] *Pacific Daily News*, 8 May 1998.

[20] Ibid., 17 May 1998.

[21] Ibid., 9 October 1998.

[22] Ibid., 21 October 1998.

[23] *Agence france presse*, 24 February 1999.

[24] *Pacific Daily News*, 3 November 1998.

[25] Statement for the record, Guam Commission on Self-Determination, House Resources Committee (105th Congress) Hearing on H.R. 100, the Draft Commonwealth Act, 29 October 1997, p. 11. (Copy was provided to the Secretariat by the Guam Commission on Self-Determination in May 1998.)

United Nations A/AC.109/1999/15

General Assembly

Distr.: General
4 June 1999

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Montserrat

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–3	3
II.	Constitutional and political developments	4–7	3
III.	Status of the Montsoufriere volcano	8	3
IV.	Economic conditions	9–21	4
	A. Public finance	9–12	4
	B. Tourism	13	5
	C. Economic activity, employment and population	14–18	5
	D. Agriculture and the private sector	19–20	5
	E. Sustainable Development Plan and Country Policy Plan	21	6
V.	Social and educational conditions	22–29	6
	A. Education	22	6
	B. Housing	23	6
	C. Health	24–26	6
	D. Community	27	6
	E. Human rights	28–29	7
VI.	Assistance provided by the United Nations, other international organizations and the administering Power	30–36	7

99-16676 (E) 230699

VII.	Participation in regional organizations and arrangements	37	8
VIII.	Future status of the Territory	38–41	8
	A. Position of the administering Power	38	8
	B. Position of the territorial Government	39	9
	C. Consideration by the General Assembly	40–41	10

I. General

1. Montserrat[1] is situated in the Leeward Islands in the eastern Caribbean, 43 kilometres south-west of Antigua and 64 kilometres north-west of the French Overseas Department of Guadeloupe. It has a maximum length of 18 kilometres and a maximum width of 11 kilometres and covers an area of 103 square kilometres. Its capital, Plymouth, was abandoned after the increase in volcanic activity in 1996.[2]

2. Montserrat is mountainous and of volcanic formation. In July 1995, the Montsoufriere volcano, dormant for more than 400 years, erupted, causing evacuation of more than one third of Montserrat's population from the southern part of the island to its northern "safe" areas in August 1995. The population of Montserrat, which in 1995 was 10,581, was estimated at 3,500 in February 1998 by the Chief Minister of Montserrat; the administering Power estimated the Territory's population at that time at 2,800.[3] The subsequent return of some evacuees increased the population to approximately 4,300 by the beginning of 1999.[4]

3. As of May 1999, the Territory, in conjunction with the administering Power, has a comprehensive programme in place for the reconstruction of the Montserrat economy.[5] However, the economic and social dislocation of the past four years remains a significant challenge to overcome.

II. Constitutional and political developments

4. According to information received from the administering Power, Montserrat is an internally self-governing Overseas Territory (formerly, Dependent Territory) of the United Kingdom. The Territory is administered by the United Kingdom under the Montserrat Constitution Order of 1989, which came into force in 1990. The Constitution provides for a Governor appointed by the Queen; an Executive Council comprising the Governor as President, the Chief Minister, three ministers and two ex officio members (the Attorney General and the Financial Secretary); and a Legislative Council, comprising a Speaker, two ex officio members (the Attorney General and the Financial Secretary), seven elected members returned from single-member constituencies on the basis of universal adult suffrage, and two nominated members. Elections are held every five years on the basis of universal adult suffrage. The next elections are due to be held in 2001.

5. Ministerial responsibilities cover all areas of government business, with the exception of external affairs, internal security, defence, the public service, international financial services and areas for which the Governor is responsible. Following a survey of offshore financial services in the dependent Territories undertaken by the British Government in 1990, the special responsibilities of the Governor were extended to cover international financial services. During the Governor's absence, the Speaker of the Legislative Council acts as Governor.[2]

6. The current Governor of Montserrat, Mr. Anthony Abbot, was sworn in on 17 September 1997; Mr. David Brandt has been Chief Minister of Montserrat since August 1997.

7. In March 1999, the Government of the United Kingdom issued a White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories". The paper is contained in the annex to document A/AC.109/1999/1; key recommendations are set out in paragraph 38 below.

III. Status of the Montsoufriere volcano

8. In July 1998, the administering Power commissioned the Montserrat Volcano Observatory (MVO) to evaluate the status of the Montsoufriere volcano. The evaluation was presented and discussed at a meeting held from 24 to 26 February 1999. The main points of the resulting report, entitled "Scientific and Hazards Assessment of the Soufriere Hills Volcano" and released on 12 March 1999, are as follows:

> "Growth of the lava dome at the Soufriere Hills Volcano ceased in early March 1998 when the magmatic eruption stopped. There has been residual activity and instability over the last year, but no sign of the magmatic eruption starting again. The post-eruptive residual volcanic activity has included occasional collapse of the lava dome to generate pyroclastic flows, vigorous venting of ash and gas sometimes accompanied by small explosions and the generation of small but mobile pyroclastic flows, occasional swarms of volcano-tectonic earthquakes, and continued ground deformation on the eastern flanks of the volcano. There is also a large amount of loose volcanic debris and ash on the slopes of the volcano which has been remobilized to form volcanic mudflows during periods of heavy rain.
>
> "The residual activity over the last year is thought to have been caused by the continued release

and ascent of volcanic gases from the source of the magma deeper in the earth. The rise of pressurized gas makes the dome unstable, is associated with the continued low level earthquake activity and is responsible for minor explosions, some pyroclastic flows and the ash venting. Such activity is known at other volcanoes as an eruption is ending and may continue for many years. However, the scale and magnitude of this activity and the associated hazards are expected to diminish with time.

"The residual activity together with the occurrence of volcanic mudflows during intense rainfall and the substantial amounts of volcanic ash deposits will continue to pose a number of hazards in southern Montserrat. ...

"The meeting reconsidered the issue of the likelihood of no further magmatic eruption in the next six months (previously assessed at about 95 per cent probability in the July 1998 study) and, on the strength of the evidence gathered in the intervening period, concluded that there was no significant new information or basis for revising this estimate.

"The results of the July 1998 elicitation on the chances of magmatic activity resuming over the longer term were also reviewed, and no changes were proposed to the estimates provided previously (i.e. 15 per cent probability of reactivation within five years; 25 per cent probability within 10 to 30 years).

"The present assessment, taking account of the possibility of both magmatic and non-magmatic activity, indicates a slight reduction in overall risk compared with the July 1998 appraisal. The results of the latter indicated that the risk levels in the populated areas of Montserrat were no worse than those to which populations on other Caribbean islands with dormant volcanoes have been historically exposed. The risks in the currently populated areas of Montserrat remain low to negligible on the Chief Medical Officer's Risk Scale, with annualized individual risk exposure values ranging from about 1 in 2,500 in parts of Area 4 marginal to the Belham valley, to less than 1 in 200,000 for Area 1. However, the increase in population numbers on Montserrat in recent months suggests that the societal risk of multiple casualties in the event of renewed magmatic eruption may be slightly increased. ...

"Continued careful monitoring of the volcano is required to help minimize exposure to residual hazards and to ensure identification of any signs of resumption of magmatic eruption.

"MVO is confident that renewed magma ascent can be detected and that escalation to dangerous levels of activity can be recognized. In some circumstances, escalation might take place in a very short period of time (a matter of hours). However, any warning helps to significantly reduce the risk exposure of the population below that estimated for an unprepared society, and risks will be continuously reassessed by the MVO."[6]

IV. Economic conditions

A. Public finance

9. On 30 March 1999, the Chief Minister, in presenting the 1999 budget, summarized the continuing effects of the 1995 and 1997 eruptions of the Montsoufriere volcano.[7] As in 1997, the Montserrat economy continued to be characterized by reduced private sector economic activity, resulting in further reductions in government revenues and fiscal deficits. Revenue collected in 1998 amounted to 22.6 million Eastern Caribbean dollars (EC$), an 18 per cent decline from 1997; government expenditures were EC$ 58.4 million, representing an 8 per cent decline from 1997. Of that expenditure, "ordinary" expenditure (i.e. non-crisis-related) was EC$ 43.9 million; "emergency" expenditure was EC$ 14.5 million.

10. For 1999, recurrent expenditure is projected to be EC$ 56.9 million and locally raised recurrent revenue to be EC$ 22.8 million. The administering Power has offered budgetary aid in the amount of approximately EC$ 34 million to finance this gap.[7]

11. The Chief Minister announced that the road network upgrading programme started in 1998 to service the concentration of the population in the safe one third of the island would be expanded in 1999. With respect to port development, fenders were installed at Little Bay during 1998; negotiations on building a warehouse at the site are ongoing. Expanded helicopter service and rehabilitation of the W. H. Bramble airport, which was evacuated in 1997, are also expected to begin in 1999.

12. According to a government press release, the Caribbean Development Bank (CDB) has agreed to restructure Montserrat's debt. CDB is the principal creditor of the Government of Montserrat, representing approximately 70 per cent of the Government's annual debt

service. The agreement between CDB and the territorial Government provides for moratoriums of varying length on the principal and/or interest of 7 of the 12 loans held by CDB.[9]

B. Tourism

13. The tourism sector experienced an increase in the number of visitor arrivals from 5,000 in 1997 to 6,000 in 1998. However, those figures should be compared with 17,700 in 1995 and 8,700 in 1996. The negative impact of reduced visitor expenditure on the economy has been significant. Earnings from the tourism sector fell drastically from EC$ 58.1 million in 1995 to EC$ 13 million in 1998; the 1998 figure represented an increase of approximately 9 per cent over 1997.

C. Economic activity, employment and population

14. Insurance coverage has been re-established on Montserrat for homes and business premises; this is expected to have a considerable positive impact on private sector investment, rebuilding houses and business premises and overall recovery.[10]

15. The increase in economic activity in 1998 was owing mainly to public investment in infrastructure, although private home building and commercial building activity also played a role. In 1998, there were approximately 290 building starts, with an estimated completion value of EC$ 33.7 million. Of these, more than 140 were government-funded housing units (EC$ 17 million).

16. The rate of unemployment increased from 10 per cent in 1995 to 20 per cent in 1996. Opportunities for employment in construction in 1997 have significantly reversed the situation, and labour has had to be sought from overseas. Unemployment was recorded at 7.7 per cent at the end of 1997 and 5 per cent in March 1998. The Montserrat Social Survey noted that the labour force had shrunk to 1,517 workers, with the Government employing the most people on the island, namely, 33.1 per cent of the workforce. Construction accounted for almost 14 per cent, health and social work 10.7 per cent and wholesale and retail 8.7 per cent.[11] Inflation remained relatively high at around 5 per cent, and was attributed largely to increases in building rents.[12]

17. In June 1997, the Territory's population was estimated at 7,500. By August 1997, the population had further declined to 5,800, as additional residents relocated after volcanic eruptions in June and July 1997.[13] The population of the island declined further, owing to growing danger of volcanic activity. Currently, the population of Montserrat is estimated at 4,300 (see para. 2 above). According to press reports, the administering Power has announced that it will underwrite the airfare of Montserratians who wish to return from abroad.[14]

18. As a direct result of the volcano emergency situation, exports in 1998 declined to EC$ 3.4 million, compared with the EC$ 22 million recorded in 1997, before the closing down of the rice mill and electronic components factory, which had been major producers of export earnings in the previous years. Imports dropped from EC$ 80 million in 1997 to EC$ 72 million in 1998; this decrease in part reflects the decrease in population from early 1997.

D. Agriculture and the private sector

19. The agriculture sector declined further during the period under review. Prior to mid-1995, the sector employed approximately 6 per cent of the labour force and used an estimated 1,500 hectares, or 15 per cent, of total land area. In 1997, much emphasis was placed on acquiring, preparing and bringing into production as much suitable land as possible. The area of land under agricultural production by the end of 1997 was in excess of 16 hectares (40 acres). About half of this was located in a government project at Brades. The land was being used almost exclusively for vegetable production with the aim of reducing the level of food imports. By October 1998, the area under cultivation had increased to 24 hectares (60 acres).[10] The Ministry of Agriculture has prepared a number of plans to assist farms in those areas, and there has been some assistance provided by the Caribbean Agricultural Research and Development Institute.

20. The private sector was severely affected by the volcanic crisis. As part of the economic recovery, between May 1998 and February 1999, the Private Sector Rehabilitation project, administered by the National Development Foundation, disbursed 34 loans for a value of EC$ 1.7 million. The administering Power provided approximately EC$ 2 million to the National Development Foundation for that programme.

E. Sustainable Development Plan and Country Policy Plan

21. In the face of the economic disruptions caused by the ongoing volcano crisis, the Government of Montserrat and the administering Power have signed a comprehensive Sustainable Development Plan and Country Policy Plan, which establish the framework and direction of development in Montserrat until 2002. In 1999, these plans call for:

(a) Provision of further serviced plots for housing development;

(b) Reorientation of water storage and reticulation systems to supply new customers in the north of the island;

(c) Commencement of withdrawal from services which were previously provided by the private sector;

(d) The overhaul of fiscal and pricing policies and introduction of strategies to simplify and strengthen collection techniques;

(e) Programmes for potential privatization, contracting out and private finance initiatives in operation;

(f) Establishment of internationally competitive clear and non-discretionary inward investment legislation;

(g) Access to health services improved through a strengthened district level delivery system with an emphasis on primary and preventative care;

(h) Improvements in the provision of nursery, primary and secondary facilities.[10]

V. Social and educational conditions

A. Education

22. In 1998, there were four government primary schools in operation in the designated safe zone, accommodating children from the non-evacuated as well as the evacuated areas. There are two private primary schools, one private secondary school and one amalgamated government secondary school with three campuses.[15]

B. Housing

23. In 1999, the territorial Government intends to assist 340 families to build homes through both "direct-build" and "self-build" schemes, including material grant assistance and a concessionary mortgage scheme. In support of this project, the Government will draw down its reserves by EC$ 1.5 million in order to help finance additional "self-build" housing. The Ministry of Housing and the Land Development Authority of Montserrat have identified 808 families that still require housing.

C. Health

24. According to press reports, community health clinics, with free services for Montserratians, are in operation in the safe zone in three locations (St. Peter's, Cudjoe Head and St. John's). In addition, there are two private medical practitioners and one private dental practitioner on the island.[14]

25. During 1998, a new block was added to the hospital facilities in the designated safe zone, including two patient wards, isolation rooms, and a maternity ward. A wing containing a pharmacy, laboratory and administrative offices will be completed in mid-1999.[7]

26. According to the evaluation presented and discussed at a Montserrat Volcano Observatory meeting held from 24 to 26 February 1999, air quality continues to be adversely affected by volcanic ash. Recent evaluations of ash in Salem and Old Towne show that the composition of the ash is dominated by a fine, respirable fraction containing 15 to 25 per cent cristobalite, which can cause the respiratory illness silicosis.[6]

D. Community

27. Of ongoing concern is the disruption of social ties and communities as a result of the volcanic crisis. According to the Montserrat Sustainable Development Plan, completed in November 1998:

> "Only 26 per cent of households have not had to relocate. Eighteen per cent of households were living in shelters and 20 per cent were sharing accommodation either as 'guests' or 'hosts'. The destruction in social structures has led to an increase in vulnerability to change due to the dislocation of family and community networks. Changes in age structures have also increased dependency on welfare provision. For example, 18 per cent of the resident population were over 60 years of age. ...
>
> "Prior to the volcanic activity, social welfare in Montserrat was achieved through a combination of publicly financed initiatives and non-State activities.

Strong community and family relationships were the basis of a support and assistance network which combined effectively with limited targeted public assistance for the most vulnerable. Education and certain health services were provided free at the point of delivery for all Montserratians.

"The policy approach, objectives and targeting of the pre-volcano system have been distorted by measures introduced to cope with emergency conditions, in particular with respect to housing and income, as individuals and families have lost their homes and livelihoods. The associated break-up of families and communities has also meant that individuals are now much more dependent upon the State than in previous times.

"A key theme to emerge during the preparation of the Sustainable Development Plan was the desire by individuals to continue to have access to support mechanisms from the State during the period of crisis and redevelopment. Ultimately, there is a need for such structures to be replaced as the development envisaged in the Sustainable Development Plan creates opportunities for families and individuals to rebuild their livelihoods and communities.

"Government is committed to improving the effectiveness of the support it currently offers by reviewing the whole structure of welfare in order that it can be more efficiently coordinated, better targeted and delivered more economically with the ultimate goal of reducing rather than increasing dependency in the longer term. Such a transition is not considered fully possible until the medium term. However, the Social Welfare Review (commenced in September 1998) stresses the fact that a more targeted system can be developed quickly and that a combination of government provision for the most needy, the re-establishment of independence and encouragement of community responses to welfare needs is the best way forward."[10]

E. Human rights

28. In a report submitted to the United Nations Committee against Torture under article 19 of the Convention on 1 April 1998, the administering Power made the following statements with respect to Montserrat:

"Since the submission and examination of the second periodic report under the Convention in respect of Montserrat, the life of the population of the Territory has been dramatically affected — indeed catastrophically disrupted — by the eruption of the Soufriere Hills volcano. ...

"Despite this situation, the Government and people of Montserrat remain firmly committed to the principles of the Convention and the Government of the Territory will continue at all times to seek to ensure that the requirements of the Convention are as scrupulously observed as circumstances permit. ... There have been no relevant changes in the law since the previous reports and, certainly, there have been no alleged incidents of torture or of cruel, inhuman or degrading treatment or punishment. As previously reported, judicial corporal punishment was abolished in Montserrat as far back as 1991.

"Nevertheless, the physical and economic difficulties under which Montserrat is now labouring have, in one field that is relevant to the Convention, necessitated the adoption of arrangements that it is acknowledged are unsatisfactory but that cannot immediately be ameliorated. As explained above, with the destruction of Plymouth Montserrat also suffered the destruction of its prison. Since then, largely ad hoc arrangements have had to be made for the accommodation of prisoners."[16]

29. According to press reports, there are currently facilities to house prisoners for short periods of time. The majority of prisoners with longer sentences are sent to other Overseas Territories administered by the United Kingdom; rarely, prisoners serve their time in the United Kingdom.[17]

VI. Assistance provided by the United Nations, other international organizations and the administering Power

30. United Nations assistance to Montserrat is provided mainly through the United Nations Development Programme (UNDP), which maintains programmes of technical cooperation with five Non-Self-Governing Territories of the Caribbean, including Montserrat. While the extent and focus of these programmes vary from one Territory to another, in general, they are all executed in conformity with UNDP Guidelines for the implementation of successor programming arrangements and relevant decisions of the UNDP Executive Board, particularly those concerning the focus and allocation of assistance under each programming cycle, and in

conformity with relevant resolutions of the United Nations General Assembly.

31. During the fifth cycle, a significant portion of UNDP's external development cooperation with Montserrat was focused on management and preservation of the environment. Physical planning was a major component of the programme, which established a Physical Planning Unit with trained staff. The country benefited from a range of inputs from UNDP that placed it in a position comparable to that of most Organization of Eastern Caribbean States (OECS) countries in terms of the development and implementation of environment-related policies and programmes, and the strengthening of institutions to sustain them.

32. UNDP assistance was complemented by other donors, among them the British Government, the Canadian International Development Agency, the Swedish International Development Agency, the German Technical Cooperation Agency, the World Bank, the Organization of American States, the European Union, and the United Nations Centre for Human Settlements (Habitat). The bulk of development assistance was directed towards solid and liquid waste management, watershed and coastal zone management, environmental education and awareness, disaster management and physical planning.

33. After the first volcanic eruptions in 1995, UNDP provided emergency resources of US$ 165,000 for emergency shelter and housing efforts. That money has been used as part of the funding for the CARICOM Village, a housing project administered by the Caribbean Community (CARICOM). UNDP has also provided technical support to the territorial Government in civil engineering, environmental planning, disaster management and preparedness. Support for the Government's sustainable development strategy will be the ongoing focus of UNDP efforts in the Territory.[18]

34. On 26 January 1999, the Executive Board of UNDP and of the United Nations Population Fund authorized the Administrator to shift support of programmes in Montserrat to a case-by-case basis, as requested by the territorial Government. That decision was reached after a review of the current situation in the Territory.[19]

35. According to press reports, the European Union has allocated at least 16 million ecus to Montserrat, of which 8 million are to be used for airport reconstruction and the rest for poverty-alleviation programmes, such as home-building projects.[9]

36. In paragraph 7.10 of the above-mentioned White Paper, the administering Power summarized its aid to Montserrat as follows:

> "We have committed £75 million to Montserrat for the three-year period 1998/99–2000/01. This is additional to the £59 million spent in the three years since the volcanic crisis started in 1995. Our support finances budgetary aid and the rebuilding of the north of the island where the remaining population live (4,500). We are also providing support for evacuees in the Caribbean region and have financed passages for evacuees to the Caribbean, the United Kingdom and North America. The costs of supporting evacuees once they arrive in Britain are met by the relevant Home Departments. We agreed with the Government of Montserrat in November 1998 on a Sustainable Development Plan setting out broad policies needed for economic and social recovery of the island. This formed the basis of the joint Country Policy Plan agreed in January 1999, which includes an indicative investment programme for the period to March 2001."[2]

VII. Participation in regional organizations and arrangements

37. The Territory continues to be a member of CARICOM and OECS, as well as of the institutions associated with both groups, including the University of the West Indies, CDB and the Eastern Caribbean Central Bank. Montserrat is an associate member of the Economic Commission for Latin America and the Caribbean and its subsidiary bodies. The Territory is represented at the meetings of the Caribbean Group for Cooperation in Economic Development, sponsored by the World Bank.

VIII. Future status of the Territory

A. Position of the administering Power

38. Key recommendations of the administering Power are noted below:

(a) In future the Territories would be known as the United Kingdom Overseas Territories, in short, Overseas Territories;

(b) British citizenship (and so the right of abode) would be offered to those people of the Overseas Territories who did not already enjoy it and who met certain conditions;

(c) Those who did not want to take it up would be able to remain British Dependent Territories citizens;

(d) British Overseas Citizens would not be included in this offer, nor would it apply to people who owed their British Dependent Territories citizenship to links with the British Indian Ocean Territory or the Sovereign Bases on Cyprus;

(e) The offer of citizenship would be on a non-reciprocal basis (as far as the right of abode is concerned). No conditional links have been made between the offer and other obligations set out in the White Paper;

(f) Administrative and representational arrangements would include:

(i) The establishment of parallel Overseas Territories structures in the Foreign and Commonwealth Office and the Department for International Development;

(ii) The appointment of Baroness Symons as Minister with responsibility for the Overseas Territories;

(iii) The creation of an Overseas Territories Consultative Council to bring together British Ministers and the Chief Ministers of the Overseas Territories or their equivalents;

(iv) The designation of a First Secretary in the office of the Permanent Representative of the United Kingdom to the European Union as the point of contact for the Overseas Territories with the European Union;

(g) In terms of good governance, provision would be made for:

(i) Improved regulation of the financial service industries in the Overseas Territories to meet internationally acceptable standards and to combat financial crime and regulatory abuse;

(ii) Measures to promote greater cooperation with international regulators and law enforcers so as to share information and improve worldwide financial regulation;

(iii) Enhanced measure to combat drug trafficking and drug-related crime;

(iv) Reform of local legislation in some Territories to comply with the same standards of human rights as those existing in the United Kingdom with regard to capital punishment, judicial corporal punishment and consensual homosexual acts. If local action is not taken Her Majesty's Government would enforce the necessary changes;

(h) Measures for sustainable development would include:

(i) Partnership between Her Majesty's Government and the Overseas Territories to promote economic growth and self-sufficiency;

(ii) Confirmation that the reasonable assistance needs of the Overseas Territories would be a priority in the development programme;

(iii) Continued budgetary aid for Montserrat and St. Helena;

(iv) Strengthened procedures and guidelines on borrowing by the Overseas Territories;

(v) Enhanced policies, legislation and standards for the protection and management of the rich natural environment of the Territories;

(vi) Increased funds (£1.5 million over three years) to assist in creating and implementing environmental programmes;

(vii) Agreement of an environmental charter between the United Kingdom and the Overseas Territories;

(viii) Technical support, training and cooperative schemes to build local capacity to manage and monitor the environment.

B. Position of the territorial Government

39. On 30 March 1999, in presenting the 1999 budget, the Chief Minister of Montserrat acknowledged the publication of the White Paper on relations between the United Kingdom and its Overseas Territories, as follows:

> "We feel that this is a welcome opportunity for a full review of the constitutional relationship between the United Kingdom and the colony of Montserrat. Perhaps the time has come for all Montserratians to be given the chance to discuss and determine the nature and the terms of our future constitutional status, and for such an exercise to produce a constitution over which we can claim true ownership and acceptance. Government is therefore considering the appointment of a constitutional commission to undertake the review and to make proposals for constitutional change. These

proposals would draw on the work of the Electoral Commission which is presently ongoing, but would naturally adopt a much wider scope and purpose."[7]

C. Consideration by the General Assembly

40. On 3 December 1998, at its 78th plenary meeting, the General Assembly adopted, without a vote, resolution 53/67, section VII of which concerns Montserrat.

41. On 16 December 1997, the General Assembly adopted resolution 52/169 J, entitled "Emergency assistance to Montserrat", in which the Assembly, *inter alia*, expressed its solidarity and support to the Government and people of Montserrat; called upon all States to contribute generously to the relief, rehabilitation and reconstruction efforts and called upon UNDP to finalize its proposals for a package of emergency assistance to Montserrat at the earliest possible time; called upon the Secretary-General to monitor the situation in Montserrat with a view to assessing the ecological and development impacts of the continuing volcanic eruptions as well as to assisting in the long-term needs of Montserratians, including the needs of evacuees and their rehabilitation; and requested the Secretary-General to submit to the General Assembly at its fifty-third session a report on the situation in Montserrat and on the progress made with the relief and rehabilitation efforts.

Notes

[1] The information contained in the present paper has been derived from published reports and information available on the Internet. The facts and figures presented in the working paper are the latest information available.

[2] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", United Kingdom White Paper, March 1999, (A/AC.109/1999/1, annex).

[3] *Trinidad and Tobago; Guyana; Suriname; Netherlands Antilles; Aruba; Windward and Leeward Islands, 1st quarter 1998. The Economist* Intelligence Unit, p. 74.

[4] Reuters, 11 January 1999.

[5] 1999 Montserrat Budget (www.mratgov.com/budget_speech_1999.htm), 30 March 1999; "New Plans for the Development of Montserrat" United Kingdom Foreign and Commonwealth Office, www.fco.gov.uk, 11 June 1999.

[6] "Scientific and Hazards Assessment of the Soufriere Hills Volcano", Montserrat Volcano Observatory, 12 March 1999.

[7] 1999 Montserrat Budget (www.mratgov.com/budget_speech_1999.htm), 30 March 1999.

[8] The Eastern Caribbean dollar (EC$) is used in Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines. It currently trades at approximately EC$ 2.7 to US$ 1.

[9] *The Montserrat Reporter*, 30 April 1999.

[10] "Montserrat Social and Economic Recovery Programme — a Path to Sustainable Development (Sustainable Development Plan)", November 1998, http://www.mninet.com/devunit/Sustainable Development Plan/index.htm.

[11] *The Montserrat Reporter*, 13 March 1998.

[12] CANA news agency, Bridgetown, 25 April 1998.

[13] *1998 Caribbean Basin Profile*, p. 313.

[14] *The Montserrat Reporter*, 7 May 1999.

[15] *1998 Caribbean Basin Profile*, p. 315.

[16] CAT/C/44/Add.1.

[17] *The Montserrat Reporter*, 26 February 1999.

[18] DP/CCF/MOT/1.

[19] DP/1999/12.

United Nations A/AC.109/1999/16

General Assembly

Distr.: General
16 June 1999

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

St. Helena

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–3	3
II.	Constitutional and political developments	4–12	3
III.	Economic conditions	13–33	4
	A. General	13	4
	B. Public finance	14–15	4
	C. Development projects	16–18	5
	D. Agriculture, land tenure and livestock	19–23	5
	E. Fisheries	24–25	5
	F. Industries	26	6
	G. Transport, communications and utilities	27–31	6
	H. Banking and credit	32	6
	I. International trade	33	6
IV.	Social conditions	34–37	7
V.	Dependencies of St. Helena	38–43	7
	A. Tristan da Cunha	38–42	7
	1. General	38	7

99-17829 (E) 230699

	2.	Constitutional and political developments	39	7
	3.	Economic conditions	40–41	7
	4.	Social conditions	42	7
B.	Ascension		43	7
VI.	Future status of the Territory		44–48	7

I. General

1. The Territory of St. Helena,[1] which is administered by the United Kingdom of Great Britain and Northern Ireland, consists of the main island of St. Helena and two dependencies: the island of Ascension and a group of islands forming the dependency of Tristan da Cunha.

2. Situated in the South Atlantic Ocean, approximately 1,900 kilometres from Angola and 2,900 kilometres from Brazil, the Territory covers a total land area of 412 square kilometres. Ascension lies 1,200 kilometres to the north-west of St. Helena, and Tristan da Cunha and the other small islands forming that dependency are approximately 2,400 kilometres to the south of it. St. Helena, where Jamestown, the capital of the Territory, is located, is the largest island, with an area of 122 square kilometres. It has a tropical climate tempered by trade winds that blow throughout the year.

3. According to the most recent information provided by the administering Power, in March 1999, the population of St. Helena, excluding its dependencies, was 4,919 persons, approximately one third of which reside in Jamestown.

II. Constitutional and political developments

4. The St. Helena Constitution Order of 1988, which entered into force on 1 January 1989, replaced the Constitution of St. Helena and dependencies introduced on 1 January 1967. Under the new Constitution, the Governor and Commander-in-Chief (who is appointed by the Queen) administers the Government. He is assisted by an Executive Council and a Legislative Council.

5. The Legislative Council for St. Helena consists of the Speaker, three ex officio members (the Chief Secretary, the Financial Secretary and the Attorney-General) and 12 elected members. The Executive Council is presided over by the Governor and consists of the ex officio members mentioned above and five of the elected members of the Legislative Council. Although a member of both the Legislative Council and the Executive Council, the Attorney-General has no vote in either body.

6. Elections are held by secret ballot at intervals of not more than four years by universal adult suffrage for those aged 18 years and older. Although two political parties are nominally in existence, since 1976 they have been inactive and elections have been held on a non-partisan basis.

7. The judicial system, based on the laws of the United Kingdom, is administered by the Supreme Court (there is a non-resident Chief Justice) and a Magistrate's Court presided over by the senior of the three magistrates sitting at a session. There is also a Juvenile Court and a Small Debts Court. Provision exists for a Court of Appeal, consisting of three judges, which can sit at Jamestown or in London.

8. Additional information on constitutional and political developments in St. Helena is contained in previous working papers prepared by the Secretariat (A/AC.109/2071, paras. 4–8 and A/AC.109/2115, paras. 4–8).

9. On 17 March 1999, the Secretary for Foreign and Commonwealth Affairs of the United Kingdom, Mr. Robin Cook, submitted in the British House of Commons a White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories", which enumerated changes in the status of the United Kingdom's Dependent Territories, including St. Helena and its dependencies. The title of the Territories would be changed from "British Dependent Territories" to "British Overseas Territories" to reflect the British Government's stated goal of partnership with those peoples.[2]

10. The stipulations in the White Paper most relevant to St. Helena are: the offer of British citizenship, and with it the right of abode in the United Kingdom to those that choose to accept it; a commitment to continuing financial assistance to those Territories, including St. Helena, that remain economically dependent on British aid; and the creation of an Overseas Territories Minister and a Council of the Overseas Territories, both having responsibility for the needs of Territories. The Council would include the Chief Ministers of each Overseas Territory and would convene annually, with a first meeting envisaged for September/October 1999.

11. The issue of full citizenship rights has remained important for St. Helena. In 1997, a delegation of the island's legislative council held discussions on the matter with officials at the Foreign Office in London. In 1998, at a conference held in London following the Foreign Office review of the United Kingdom's relationship with its Dependent Territories, councillors from St. Helena made renewed appeals to settle and work in the United Kingdom. In the White Paper, the administering Power stated that British citizenship — and so the right of abode — should be offered to those British Dependent Territories citizens who did not already enjoy it and who wanted to take it up. The administering Power pointed out that in making that decision, the Government had taken into account

representations made by people in many Territories, not least those made on behalf of the people of St. Helena.

12. In the same White Paper, the administering Power renewed its commitment to providing economic aid to St. Helena to finance infrastructure projects, expert personnel and budgetary aid. The current three-year £26 million package would be sustained.

III. Economic conditions

A. General

13. St. Helena possesses few natural resources. Agriculture, largely of a subsistence nature, is the main economic activity. Food production is insufficient to supply the island's needs and this, together with the lack of manufacturing industries, results in the importation of the vast majority of its requirements. St. Helena is an aid-dependent economy, relying upon resources from the United Kingdom for approximately 26 percent of its 1997–1998 public sector recurrent budget. In addition, it received 18 per cent in development aid. Virtually all of St. Helena's capital investment and the majority of the technical cooperation it receives is funded by the United Kingdom's Overseas Development Administration, now known as the Department for International Development, as well as the European Union and the United Nations Development Programme (UNDP). The cost of living in St. Helena is higher than in the United Kingdom, owing to costs related to the remoteness of the island. The retail price index in February 1999 was 111.82 (base year November 1994 = 100), compared with 109.62 in February 1998. Of the individual consumption categories, household goods experienced the highest rate of inflation during the period under review.

B. Public finance

14. The main items of estimated revenue, including British Government grant-in-aid and expenditure for the 12-month period from 1 April 1998 to 31 March 1999, were as shown in table 1.

15. The Territory's statement of assets and liabilities as at 31 March 1998 is shown in table 2.

Table 1
Revenues and expenditure, 1998/99[a]
(*Thousands of St. Helena pounds*)[b]

Revenues	
Direct taxes	824.7
Indirect taxes	1 315.2
Fines, fees and charges	320.1
Government rents and hires	94.1
Earnings of the Government	214.6
Treasury receipts	1 571.7
Reimbursements	2 421.3
Other	97.1
Total ordinary revenue	**6 858.8**
Grant-in-aid	3 264
Total (ordinary revenue + grant-in-aid)	**10 122.8**
Expenditures	
Government	1506.2
Finance and development	602.4
Pensions and gratuities	509.0
Public education	1 282.5
Public health	1 612.3
Social services	1 503.3
Agriculture and forestry	922 8
Public works	1 763 8
Public debt	350 0
Other	70 5
Total	**10 122.8**

[a] Actual numbers may vary due to rounding.

[b] The local currency is the St. Helena pound, which is equivalent to the United Kingdom pound sterling. Both St. Helena currency notes, introduced in 1976, and the United Kingdom pound sterling are legal tender.

Table 2
Statement of assets and liabilities as at 31 March 1998
(*St. Helena pounds*)

Liabilities		*Assets*	
Deposits	721 065	Cash held locally and by Crown Agents, London	2 295 389
Special funds			
Savings bank	12 587 860	Savings bank	12 502 690
Other funds	363 050	Investments	956 281
Consolidated fund	2 514 982	Development	(75 838)
Trust funds	24 859	Advances	533 294
Total	**16 211 816**		**16 211 816**

C. Development projects

16. The administering Power's current three-year aid package has a budget of £26 million. Estimated development aid expenditure for the period from 1 April 1998 to 31 March 1999 is shown in table 3.

Table 3
Estimated development aid expenditure, 1 April 1998 to 31 March 1999
(*Thousands of St. Helena pounds*)

Projects	*Approved total grant*	*Estimated expenditures*
Agriculture and forestry	1 106.0	170.0
Public utilities	916.2	489.6
Social and administrative services	80.0	4.0
Fisheries	30.0	32.3
Administrative and miscellaneous services	2 954.0	1 048.0
Total	**3 911.3**	**1 744.3**

17. UNDP's second country programme for St. Helena (1993–1996) focused on developing national capacities in two areas: (a) sustainable livelihoods; and (b) ensuring social protection throughout the transition from an aid-dependent economy dominated by the public sector to a self-financing economy, in which the private sector has an expanded role. During the course of the second country programme, a livestock project, executed by the Government, was designed to support the island's livestock production sector. In addition, a preparatory assistance project on the development of tourism, executed by the World Tourism Organization (WTO), was initiated in order to develop a project to provide wide-ranging support to the development of the island's fledgling tourism industry. Finally, a project on the implementation of a social security scheme, executed by the International Labour Organization (ILO), was established to design both a national, contribution-based social security scheme and the associated institutional framework to provide benefits and services to the population of St. Helena. The latter project has been postponed while the Government considers whether and how to undertake the long-term financial commitment that the scheme would entail.

18. In formulating the UNDP 1997–1999 country cooperation framework for St. Helena, it was agreed that a focus on employment and sustainable livelihoods would present the best prospect for the efficient use of UNDP resources. The emphasis is on private sector development, with special attention to enterprises linked to tourism. Implementation of the programme is organized into two umbrella projects, namely, (a) tourism development and (b) technical assistance and training. Both projects contain components that specifically address the special circumstances of women and other vulnerable populations. The projects are being executed by the Government; however, appropriate budget lines are being implemented by bodies such as WTO and ILO.

D. Agriculture, land tenure and livestock

19. During 1998/99, 214.8 cubic metres of timber were sold, and 1,098 kg of coffee were exported to the United Kingdom.

20. The Agriculture and Forestry Department provides support to smallholder producers, including agricultural loans, through a revolving credit fund, which provided loans totalling £23,209 in 1998/99.

21. In 1992, an agricultural water subsidy programme was introduced to reduce the impact on farmers of a considerable increase in the prices charged by the Government. During 1998/99, £8,508 was spent on water subsidy, representing about 38,045 cubic metres of water used for irrigation.

22. The number of department employees involved in agricultural and livestock services totalled 43, and estimated expenditure during 1998/99 was £922,810.

23. St. Helena has an environmental conservation programme aimed at preserving endangered endemic species and diversity of habitats. The plants that are unique to St. Helena form an important part of the Territory's heritage and could potentially increase tourism for the island. The World Conservation Union lists as endangered 40 per cent of the island's plants, while other conservationists insist that the actual proportion is higher still. Concerted efforts are being made to ensure their survival and conservation.[3] From 1 April 1998 to 31 March 1999, some 7,286 varying species of endemic plants were sown on the island.

E. Fisheries

24. Employees at the St. Helena Fisheries Corporation during the year under review consisted of 18 workers, excluding fishermen.

25. Local fish sales and export statistics from 1990 to 1999 are shown in table 4.

Table 4
Local fish sales and exports, 1990–1999

	Local sales		*Exports*	
	Tons	*Value (pounds sterling)*	*Tons*	*Value (pounds sterling)*
1990/91	83.21	108 406	154.53	128 124
1991/92	88.91	118 782	26.66	38 399
1992/93	69.66	108 364	87.06	115 056
1993/94	68.93	107 516	168.85	189 593
1994/95	70.73	108 950	150.35	178 447
1995/96	162.48	123 034	199.95	276 922
1996/97	238.71	324 705	136.03	213 066
1997/98	103.03	97 697	301.30	204 897
1998/99	129.58	131 507	255.16	210 379

F. Industries

26. There is no large-scale industry on St. Helena. All crafts are practised on a cottage-industry basis, with technical, financial and marketing facilities provided by the Government through the St. Helena Development Agency, established in 1995. In the financial year 1998/99, the Agency approved a total of £107,575 in loans and £6,160 in grants. This financial assistance is focused on industries identified as having the greatest potential for development, namely, fishing, agriculture, tourism, exports and import substitution.

G. Transport, communications and utilities

27. Information on transport, communications and utilities is contained in a previous working paper prepared by the Secretariat (A/AC.109/2021, paras. 35–37). The island has over 100 kilometres of surfaced roads, to which 1.5 kilometres were added in 1998/99. During the period under review, the primary effort was on the maintenance of the existing road network.

28. Electricity, water and roads are supplied by the Public Works and Services Department, which employs approximately 273 workers. The Department's annual expenditure is £1.8 million and it receives income of £1.2 million through the sale of power, water and services. Expenditure on development aid work in 1998/99 was approximately £0.9 million.

29. A total of 367,000 cubic metres of treated water were supplied for domestic, commercial and agricultural purposes in the financial year 1998/99. A five-year development aid project, estimated at over £1 million, is in preparation. The project will aim to replace deteriorated pipes and tanks and conduct a feasibility study on improvements to the island's water intake.

30. The Department's Energy Division generated a total of 6,626,626 kilowatt-hours of electricity. An additional 43 consumers were connected to the island's power supply, bringing the total to 2,238.

31. The Foreign Office of the administering Power is currently conducting an investigation into transport links to the island, including an examination of the benefits of its own airport. The Foreign Office is negotiating with the United States of America with a view to opening up the Ascension island airstrip to civilian flights for the first time, and to examining the possibility of increasing the frequency of shipping to the Island.

H. Banking and credit

32. Information on banking and credit is contained in a previous working paper prepared by the Secretariat (A/AC.109/2021, paras. 38–39). Local currency in circulation as at 31 March 1999 was £2,975,610, comprising £2,553,970 in notes and £421,640 in coins. No additional information for the year under review has been received by the Secretariat.

I. International trade

33. St. Helena's main imports are food products and tobacco, motor spirits and fuel oil, animal feed, building materials, motor vehicles, machinery and spare parts. Its only exports are fish, handicrafts and coffee. Its main trading partners remain the United Kingdom and South Africa. Others partners include Brazil and Ascension. No commercial agreements were entered into during the period under review.

IV. Social conditions

34. Information on social conditions in the Territory is contained in a previous working paper prepared by the Secretariat (A/AC.109/2021, paras. 41–53). Unemployment was reported to be at about 18 per cent during the year under review, an increase from the reported rate of 7.8 per cent in 1991.[4] According to the administering Power, at the end of March 1999, there were 124 men and women, aged between 18 and 60, on community employment, and a further 147 men and 109 women registered as unemployed.

35. At the end of March 1999, 498 needy people were receiving income-related benefits, at weekly rates varying from £18.95 to £45.00. In addition, unemployment allowance was paid to 256 people, at rates varying from £12.80 to £40.00 per week.

36. According to the administering Power, recurrent public health expenditure in 1998/99 was £1,695,190, which is 16.9 per cent of the total Government recurrent expenditure. There is one general hospital in Jamestown and six rural health clinics on the island.

37. There are 12 public schools in the Territory. In the year under review, there were 123 teachers, of which 119 work full-time and 4 part-time. Total expenditure by the Education Department in 1998/99 is estimated to be £1,282,540, which is approximately 9.4 per cent of the total government recurrent expenditure.

V. Dependencies of St. Helena

A. Tristan da Cunha[5]

1. General

38. General information on geographic features and climate of Tristan da Cunha is contained in paragraphs 1 and 2 of the present working paper. Excluding expatriates, there were 288 islanders resident on Tristan da Cunha as of December 1998.

2. Constitutional and political developments

39. Information on constitutional and political developments in Tristan da Cunha is contained in a previous working paper prepared by the Secretariat (A/AC.109/2043, paras. 32–33). It was reported in December 1997 that Mr. Tony Lloyd, Minister of State for Foreign and Commonwealth Affairs, agreed that five eople from the dependency could seek employment in the United Kingdom every year.[6] In addition, dependency residents will receive the options of British citizenship and residency after parliamentary passage of the resolutions contained in the White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories" (see paras. 4–10 above).

3. Economic conditions

40. Information on economic conditions in Tristan da Cunha is contained in a previous working paper prepared by the Secretariat (A/AC.109/2043, paras. 34–36). The 1998 budget estimates revenue at £744,534 and expenditure at £650,339. As of 31 December 1998, deposits at the local Post Office Savings Bank amounted to £230,974.

41. The standard of living has shown significant improvement in recent years, evidenced by high receipts at the island store, the main shopping facility. In addition, there is full employment for men and work for most women.

4. Social conditions

42. Information on social conditions in Tristan da Cunha is contained in a previous working paper prepared by the Secretariat (A/AC.109/2043, paras. 37–39). In the year under review, one islander took advantage of government loans to build a house. The medical budget for the period from January to December 1998 was £103,000. The budget of the Education Department for the period from January to December 1998 was £44,365.

B. Ascension

43. The population of the island of Ascension was 1,102 as of 31 March 1997. Further information for the period ending in 1988 is contained in a previous working paper on St. Helena prepared by the Secretariat (A/AC.109/1071, paras. 119–129). No further substantive information has been received by the Secretariat since that time.

VI. Future status of the Territory

44. On 10 December 1997, the General Assembly adopted without a vote resolution 52/77, a consolidated resolution on 12 Non-Self-Governing Territories, section IX of which was specifically devoted to St. Helena.

45. On 4 February 1998, the Secretary for Foreign and Commonwealth Affairs of the United Kingdom, Mr. Robin Cook, in a speech before the Dependent Territories

Association in London, announced that in his first months as Foreign Secretary, he had set in hand a review of the United Kingdom's stewardship of the Dependent Territories. A summary of the principles and key issues contained in the proposals to "modernize the United Kingdom's relations with the Territories" is contained in document A/AC.109/2102, paras. 70–81.

46. At the same meeting, in response to the speech made by the Foreign Secretary, a member of the Executive Council of St. Helena, Mr. Eric George, emphasized the need to have the Territory's citizenship rights restored as soon as possible, as a step towards a better future for St. Helena. However, he noted that, in order to obtain a permanent and lasting solution in the long term that would benefit both St. Helena and the United Kingdom, the constitutional relationship between the two had to be considered. St. Helena wished to give greater responsibility to the elected members of the Territory's legislature. St. Helena would be seeking to move into the new century with a constitution that would allow it to develop its Territory and improve its economy.

47. On 3 December 1998, the General Assembly adopted without a vote resolution 53/67 a consolidated resolution on the Non-Self-Governing Territories. Referring to St. Helena specifically, the Assembly requested the administering Power to keep the Secretary-General informed of the wishes and aspirations of the people of the Territory regarding their future political status. The Assembly also requested the administering Power and relevant regional and international organizations to continue to support the efforts of the territorial Government to address the socio-economic development of the Territory.

48. The administering Power's White Paper, (see para. 9 above) proposes the granting of the option of British citizenship and the right of abode in the United Kingdom for island residents, as well as a renewed commitment to assisting St. Helena's economic development. The proposed legislation addresses many of the concerns noted by the Executive Council of St. Helena in its meetings with Foreign Office officials and, according to the administering Power, its passage by Parliament is expected as soon as parliamentary time allows.

Notes

[1] Information regarding St. Helena has been derived from a report transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations, on 11 May 1999.

[2] Information in paras. 5–10 is derived from "Partnership for Progress and Prosperity: Britain and the Oversees Territories", White Paper submitted to the House of Commons on 17 March 1999 by the Secretary for Foreign and Commonwealth Affairs of the United Kingdom and set out in document A/AC.109/1999/1, annex.

[3] "St. Helena Ecology is World's Most Endangered", by Brendan Boyle. *Reuters*, 1 March 1999.

[4] "South Atlantic Saints Fight for Island", by Brendan Boyle. *Reuters*, 27 December 1998.

[5] Information regarding Tristan da Cunha has been derived from a report transmitted to the Secretary-General by the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations, on 24 October 1997.

[6] *Press Association Newsfile*, 5 December 1997.

United Nations A/AC.109/1999/17

General Assembly

Distr.: General
19 May 1999

Original: English

Special Committee on the Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Tokelau

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–2	2
II.	Constitutional and political developments	3–8	2
	A. Constitutional developments	3–6	2
	B. Public service	7–8	2
III.	Economic and social conditions	9–16	3
	A. Economic development	9–13	3
	B. Status of women	14	3
	C. Education	15	3
	D. Health	16	3
IV.	Future status of the Territory	17–19	3
	A. Position of the administering Power	17	3
	B. Position of the people of Tokelau	18	4
	C. Action by the General Assembly	19	4

99-16441 (E) 180699

I. General

1. Tokelau[1], a Non-Self-Governing Territory administered by New Zealand, consists of three small atolls in the South Pacific (Nukunonu, Fakaofo and Atafu), with a total area of approximately 12.2 square kilometres. Samoa, 480 kilometres to the south, is the nearest sizeable neighbour.

2. Tokelauans are Polynesians with linguistic, family and cultural links with Samoa. In 1998, the population in the Territory was estimated to be 1,443.[2] This is a decrease from the population of 1,577 recorded in the 1991 census. At that time, there were 543 inhabitants on Atafu, 437 on Nukunonu and 597 on Fakaofo. The constraints of atoll life and limited opportunities have led some 3,000 Tokelauans to settle abroad, particularly in New Zealand and Samoa.

II. Constitutional and political developments

A. Constitutional developments

3. As reported in the previous working paper (A/AC.109/2116) and the Special Committee's resolution on the question of Tokelau (A/AC.109/2124), the process of constitutional development is continuing. According to information provided by the administering Power, on 3 August 1998, the General Fono (the national representative body) endorsed a comprehensive report entitled "Modern House of Tokelau". This report addressed the core issue for Tokelau in creating a constitutional framework: how to construct a self-governing nation based on the village.

4. In accordance with recommendations made in the "Modern House of Tokelau" report, a new electoral system was instituted for the General Fono. In the past, the 27-seat General Fono was made up of members chosen by each village's Taupulega (Council of Elders) to serve three-year terms; only the Faipule (the representative of each village) and the Pulenuku (the mayor of each village) were elected. In January 1999, elections for a reformed General Fono, made up of six members from each village (18 altogether), were held on the basis of universal suffrage. Each village first elects four officials: Faipule, Pulenuku, Deputy Faipule and Deputy Pulenuku. Next, it elects two delegates nominated by designated groups in the village: women and the aumaga (the workforce of able-bodied men).

5. The newly elected General Fono reflects a generational change in General Fono membership. Delegates are now younger and more formally educated than before. In addition, where in the past membership in the General Fono was rotational in nature, several of the new delegates have served before. The new set-up is expected to promote continuity in administration and provide the basis for the development of a sense of professionalism.

6. With respect to the January elections, the administering Power noted in its submission to the Special Committee:

> "Tokelau's decision to move from a system whereby each village selects, or appoints, its delegates to the General Fono, to one of elections, is significant in the wider context of preparation for self-determination; for the system now adopted provides for the effective participation of the people of Tokelau in their national government. At the same time, the particular electoral arrangements, and their village-centred focus, reflect Tokelau's necessary approach to Constitution-making and governance: of shaping arrangements according to local needs and tradition, while also seeking to find a good balance between the traditional and the imported."

B. Public service

7. The Tokelau Public Service (TPS) has recently been relocated from Samoa (where it had been located because of the earlier limited state of communications with and within Tokelau) to the atolls. In addition, the Government of Tokelau is restructuring TPS by devolving most public service functions to the villages and making all authorities, including TPS, directly accountable to Tokelau institutions. Villages will be responsible for all public functions except Tokelau's relations with the outside world. A draft of the restructuring plan, setting out which functions could be devolved to villages (or corporatized or privatized) has been prepared. In a speech before the Special Committee, the Ulu O Tokelau (the titular head of Tokelau) said that the final result would be a "small and lean government supported by an equally lean national service at the centre. All else is transferred to those who best know how to manage their own affairs — as they have done so for centuries."

8. In July 1998, at the request of the territorial Government, the New Zealand State Services Commissioner appointed a New Zealand-based Tokelauan as TPS Commissioner in order to ensure the effective and efficient running of the existing TPS, and to assist Tokelau to develop and implement a new independent public service that will fit within the new house of Tokelau.

III. Economic and social conditions

A. Economic development

9. Traditional and communal values and practices play a key role in contributing to a state of general well-being and equity in the Territory, as evidenced by the redistributive principles of traditional wealth (the *inati* system) and the importance attached to upholding the concept of the family and/or the extended family. The tradition of *inati* requires the deposition of food and produce at a central location, which is then apportioned by the distributors on the basis of "share groups". The principle provides for a secure distribution system that caters to the needs of every member of the community, including the elderly, widows, single parents and children.

10. Major constraints on economic growth include natural disadvantages, such as the small size of Tokelau, isolation, the geographical spread of the atolls, limited and poor natural resources, and proneness to natural disasters (such as cyclones). Tokelau's economic stability has been made possible by the high levels of assistance provided by the administering Power, which has committed itself to contributing not less than $NZ 4.5 million for ongoing support for self-government for the next five years, as well as ongoing support for such projects as enterprise and infrastructure development.

11. As part of "building the modern house of Tokelau", the Territory and the administering Power will create a trust fund for Tokelau as a vehicle whereby Tokelau can seek to become economically independent. This trust fund will be supported in part, through the rentier income that Tokelau receives from payments accruing to its exclusive economic zone, as well as through contributions from appropriate agencies and programmes of the administering Power.

12. Regarding United Nations Development Programme (UNDP) activities in Tokelau, it is supporting sustainable human development through the promotion of good governance and capacity-building and through the promotion of job creation and sustainable livelihoods through village-based entrepreneurial development. The preliminary indications are that Tokelau has the resources to develop private sector ventures based on coconuts, fishing, small-scale ecotourism and handicrafts; project documentation will be forthcoming shortly.

13. An up-to-date international telephone service that cost $NZ 4 million was inaugurated in April 1997. The telephone system, which also allows for access to the Internet, is expected to contribute to the Territory's progress towards self-determination by facilitating Tokelau's contact with the outside world. Previously, Tokelau had to rely on short-wave links to Samoa and a mail ship that visited every five weeks. Of the total cost, New Zealand contributed $NZ 1.5 million, and Tokelau $NZ 1.6 million. UNDP and the International Telecommunication Union provided the balance.

B. Status of women

14. Women are well-integrated in Tokelauan society. They participate fully in the village decision-making process, through women's committees, the village councils of elders and their membership in the General Fono. The new electoral system for the General Fono has increased gender equity. Women elected to the General Fono no longer function as the representative of the women's committee, but are responsible for representing all the people of the village.

C. Education

15. Under Tokelau's compulsory education system, primary and secondary education is available to everyone. However, the low standard of the education system remains a problem, with many families migrating to New Zealand or Samoa in order for their children to receive higher-quality education. A new initiative to formulate an information technology strategy in education, taking advantage of the new telecommunication links to the outside world, is under way.

D. Health

16. Average life expectancy is 65 to 70 years, and there is easy access to health clinics. However, the shortage of qualified medical practitioners, surgeons and general health-care workers remains a serious problem on all of the atolls. The necessity of transferring the more serious cases to Samoa or New Zealand for treatment represents a large expense in the national budget.

IV. Future status of the Territory

A. Position of the administering Power

17. In a message to the General Fono on 23 November 1998, the New Zealand Minister of Foreign Affairs and

Trade addressed the new governance arrangements in Tokelau with respect to the future status of the Territory:

> "The new arrangements come into effect on 1 July 1999, and already the necessary transitional action is under way. I believe that with these understandings we are striking a good balance between Tokelau's instinctive wish to be more economically self-reliant and the fact that it is too small an economic unit in today's circumstances to be able to call on all the resources, skills and advice it needs — let alone to operate at improved living standards. In so doing, we are redefining, in a way that surely is helpful to all the people of Tokelau, what is the core tangible issue within Tokelau's relationship with New Zealand: economic support of this northern-most community of New Zealand citizens, and the means of assuring their continued vitality ...
>
> "A further factor, which draws attention to 1999's opportunity, stems from the wide-ranging discussions held during the Council of Faipule's visit on topics which bear immediately on Tokelau's constitutional development, and more particularly on its stated wish to better prepare itself for an act of self-determination at an appropriate time ...
>
> "In a way, on all these fronts, we shall be revisiting with the General Fono and Council of Faipule the 1994 Voice of Tokelau, which set out for the United Nations Tokelau's 'blueprint' for preparing an act of self-determination. Account can be taken of progress made meanwhile in the several areas identified (such as telecommunications), and of the better identification which has been made of the issues and (sometimes) their solutions. I think we all recognize that more detailed arrangements would be needed to cover a self-governing Tokelau than were devised much earlier for the Cook Islands and Niue; not least, a tighter definition of partnership, including the obligations accepted on both sides, and of the continuing support that New Zealand is prepared to provide. The central thought is that after self-determination, Tokelau would not be cut adrift and that New Zealand, as well as other partners in their appropriate ways, will see it as part of their function to help Tokelau succeed."

B. Position of the people of Tokelau

18. The issue of self-determination is under active consideration by the people of Tokelau, who have expressed a strong preference for a status of free association with New Zealand (see A/AC.109/2124). With respect to the development of a new constitutional framework, the Ulu O Tokelau made the following statement to the Special Committee:

> "We cannot exercise our right to an act of self-determination until we have put in place political, economic and administrative structures and arrangements appropriate to our situation and with ongoing supportive mechanisms. Real self-determination for Tokelau is about economic independence, cultural affirmation, identity and the protection of the pristine environment. The present and future generations of Tokelau have a right to enjoy these privileges ...
>
> "In the process of searching for appropriate structures and arrangements to govern ourselves, we have had to reconstruct the House of Tokelau ... The freedom to do this has helped immensely, and we thank the Special Committee for appreciating and accepting our situation and the supportive and nurturing attitude of the administering Power, characterized by the Administrator of Tokelau, who is here today. But the task is by no means completed, and this is where we are asking for the continuing support of the Special Committee and agencies of the United Nations."

C. Action by the General Assembly

19. On 3 December 1998, the General Assembly adopted its resolution 53/66 on the question of Tokelau.

Notes

[1] The information contained in the present paper has been derived from information provided to the Secretariat by the Permanent Mission of New Zealand to the United Nations in April 1999 and from the United Nations Development Programme report on country cooperation frameworks and related matters: first country cooperation framework for Tokelau (1998–2002) (DP/CCF/TOK/1).

[2] *World Factbook 1998*, Central Intelligence Agency.

United Nations A/AC.109/1999/18

General Assembly

Distr.: General
4 June 1999

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Turks and Caicos Islands

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–2	3
II.	Constitutional, legal and political developments	3–8	3
III.	Economic conditions	9–24	4
	A. General	9–11	4
	B. Public finance	12–15	4
	C. Public service	16	5
	D. Offshore financial services	17–19	5
	E. Agricultural and fisheries	20–21	5
	F. Tourism	22–24	5
IV.	Social conditions	25–32	6
	A. General	25–27	6
	B. Education	28–29	6
	C. Health	30–31	6
	D. Environment	32	6
V.	Participation in international organizations and arrangements	33–34	7
VI.	Future status of the Territory	35–38	7

99-16651 (E) 160699

A. Position of the territorial Power 35–36 7
B. Position of the administering Power 37 7
C. Consideration by the General Assembly 38 8

I. General

1. The Territory of the Turks and Caicos Islands[1] is the largest of the dependent Caribbean territories of the United Kingdom of Great Britain and Northern Ireland, comprising 40 islands and cays. These islands form the south-eastern extremity of the Bahamas chain and lie 145 kilometres north of Haiti and the Dominican Republic and 925 km south-east of Miami, United States of America. The islands and cays are split into two groups by a deep water channel, with a total land area of 500 square kilometres. Of these islands, only six are permanently inhabited: Grand Turk, where the capital, Cockburn Town, is located; Salt Cay; South Caicos; Middle Caicos; North Caicos and Providenciales. In addition, there are a number of hotel developments and holiday homes on smaller cays. Limited rainfall, coupled with poor soils and a limestone base, restrict the possibilities for agricultural development. The islands have important wetland and reef habitats and provide a home for 14 endemic plants and reptiles.

2. The islands are sparsely inhabited. The total population of the Territory is estimated to be around 20,000, and the population density is approximately 34 persons per square kilometre. Most of the population resides on the two principal islands, Grand Turk, which is the administrative capital, and Providenciales, which is the business centre of the islands. Other populated islands are South Caicos, with 10.5 per cent of the total population; North Caicos, with 11.1 per cent; Middle Caicos, with 2.3 per cent; and Salt Cay, with 1.8 per cent of the population.[2] It is estimated that foreigners, especially from Haiti and the Dominican Republic, make up 50 per cent of the population. Most of the people are of African descent, the rest being mixed or of European origin. English is the main language, with some Creole spoken by Haitian immigrants. The religion is Christianity; the Anglican Communion predominates. Education is compulsory between the ages of 5 and 14, and is provided free in 10 primary schools and 4 secondary schools run by the Government.

II. Constitutional, legal and political developments

3. The Turks and Caicos Islands are described as "an internal self-governing Overseas Territory with a ministerial system of government" by the administering Power, the United Kingdom. Under the provisions of the 1976 Constitution amended in 1988, executive power is vested in the Governor, appointed by the Queen. The Constitution also provides for an Executive Council and a Legislative Council. The Governor is responsible for foreign affairs, internal security, defence, the appointment of public officers, offshore finance and certain other matters, but is otherwise normally required to act on the advice of the Executive Council. The Executive Council consists of the Governor, six elected members of the Legislative Council and two official members (Chief Secretary and Attorney General). The Legislative Council consists of 19 members. There are 13 representatives elected by popular vote, 3 appointed by the Governor and 3 ex officio members of the Executive Council. There are two main political parties, the People's Democratic Movement, which was re-elected as the ruling party with Derek Taylor as the Chief Minister, and the Progressive National Party, which was defeated in 1995. Parliamentary elections are held at intervals of not more than four years. The most recent general election was held on 4 March 1999; however, it barely altered the elected composition of the Legislative Council from the January 1995 poll.

4. In September 1996, Governor Martin Bourke finished his term and returned to the United Kingdom, thus ending the controversy that had led to a unanimous demand on the part of the ruling and opposition parties of the Territory addressed to the administering Power to recall him (for details, see A/AC.109/2051, para. 3). He was replaced by John Kelley, formerly Deputy Governor of Bermuda.

5. The legal system, based on English Common law, includes a Supreme Court and a Court of Appeal, and has provision for appeal to the Privy Council in London. The Attorney General and Chief Justice are currently United Kingdom technical cooperation officers, as are the Senior Crown Counsel, the Legal Draftsman, the Deputy Commissioner of Police and the Head of the Criminal Investigation Division. The Police Development Project will support the provision of a further two technical cooperation officers; an Assistant Commissioner of Police and a Financial Crimes Investigation Officer.

6. Royal Navy and Royal Air Force attachments to the Police Force have enhanced the Turks and Caicos Islands' ability to combat drug trafficking. The Islands enjoy close cooperation with the United States and Bahamian narcotics agencies under an agreement extended to the Turks and Caicos Islands in 1990, thus allowing for combined United States/Turks and Caicos Islands/Bahamas interdiction operations. In one operation in February 1998, the Turks and Caicos Islands authorities seized over two tonnes of cocaine.

7. The Turks and Caicos Islands lie directly in the path of Haitian boat people attempting to reach the United States

or the Bahamas. As a result, many have arrived illegally in the territory in recent years (having also been attracted by employment opportunities on fast-developing Providenciales). A 15-month long programme to repatriate them voluntarily or regularize their stay, under the auspices of the International Organization for Migration and with assistance from the Office of the United Nations High Commissioner for Refugees, began in January 1997. This programme provided for the processing of approximately 1,000 migrants who qualified for permanent residence in the Turks and Caicos Islands, and assisted some 3,500 with their return to and reintegration into Haiti. The immigration authorities have tightened the regulations governing the migrant workforce.

8. In March 1999, the Government of the United Kingdom issued a White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for progress and prosperity — Britain and the Overseas Territories". The text of the White Paper is set out in the annex to document A/AC.109/1999/1. Key recommendations can be found in paragraph 37 of the present paper.

III. Economic conditions

A. General

9. The economy of the Turks and Caicos Islands, as noted in appendix 1 to the White Paper mentioned above, is based primarily on tourism and offshore finance. The opening of a Club Méditerranée village on Providenciales at the end of 1983 and the accompanying provision of an international airport under the United Kingdom's aid programme gave the Islands a considerable boost. Tourist arrivals in 1997/98 fell just short of 100,000. Revenue from the offshore financial services sector increased from $3.33 million in 1996/97 to $6.79 million in 1997/1998 and currently represents 10 per cent of the gross domestic product (GDP).

10. In 1997/98, the economy grew at a 5 per cent rate with a GDP at $120 million, an increase from $102.5 million in 1996. The estimated GDP per capita for 1998 is $6,000. With heightened investment interest in the Turks and Caicos Islands, it is expected that this level of growth will continue for the foreseeable future. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the Islands' economic life. The main areas of private investment are tourism property development, real estate, international finance and fishing, focused on the island of Providenciales.

11. The traditional economic activity, salt production, ceased in 1964. For the next two decades, the economy depended on fishing, some tourism and government employment. Agriculture is almost non-existent. Practically all consumer goods and most foodstuffs are imported. Natural resources are limited and even water has to be strictly conserved. In the 1960s and 1970s, thousands migrated to nearby Bahamas and the United States to seek work. This trend has now been reversed as the economy has improved. The increasing emphasis on the service sector has its drawbacks. Owing to the competitive nature of the global market for both tourism and offshore finance and the dependence on growth in developed countries, the Turks and Caicos Islands are increasingly vulnerable to fluctuations in the international economy.

B. Public finance

12. In addition to attracting offshore investors as a means of stimulating private sector activity, the Government has embarked on an aggressive programme to strengthen financial management in the public sector, improve the productivity of the civil service, reduce the rate of growth in government spending, improve the efficiency of State-owned corporations and enhance revenue collection efforts.

13. According to information provided by the administering Power, economic growth averaged 5 per cent over the past five years. The Government's fiscal position improved over the same period, with recurrent revenue increasing by over 50 per cent. Public sector recurrent expenditure also increased, but not as strongly as recurrent revenue and the Government therefore enjoyed a growing current account surplus each of the last three fiscal years. Government revenues during 1997/1998 were $46.98 million, and expenditures $38.82 million. However, some of this surplus was due to windfall receipts in land-related transactions, which are not anticipated to continue to be a source of revenue for the budget. For the period 1998/1999 (to March 1999), recurrent revenues are estimated to be $44.59 million and recurrent expenditures $46.90 million.

14. The Government's capital budget estimates form the basis of the public sector investment programme, which is financed through the Development Fund. The Fund was established for the purpose of receiving such monies as may be appropriated annually from the Consolidated Fund, together with other monies received from external donors. In 1997/98, the following budget contributions were provided for: $315,000 for capital development items and

$105,000 for disaster recovery projects. In the 1998/99 budget, a contribution of $443,000 is provided for.

15. External donors include the Government of the United Kingdom, whose funds are administered through the Dependent Territories Regional Secretariat, the Caribbean Development Bank, the European Union and the United Nations Development Programme (UNDP).

C. Public service

16. According to information provided by the administering Power, the Government is committed to developing a cadre of highly professional, self-confident, and highly motivated Turks and Caicos Islanders for the civil service. Ongoing reforms include a review of pay and grade structures, new guidelines and an increased emphasis on training. Particular areas of its attention were law and order, education and health. In 1997/98, there were a total of 1,212 people employed by the territorial Government.

D. Offshore financial services

17. One area of growth has been offshore finance. Over 14,000 offshore companies were registered by 1997. There is no income tax, no company tax, no exchange control and no restriction on the nationality or residence of shareholders or directors. New legislation and the Offshore Finance Centre Unit have been designed to regulate and promote the growth of offshore finance and encourage banking, insurance and trust companies. Five international banks have been granted offshore licences and some 2,000 offshore insurance companies have been licensed. Government revenue from offshore financial services was over$6 million in 1997/98.[3]

18. Constitutional responsibility for the Turks and Caicos Islands' offshore finance sector rests with the Governor. Offshore finance is the Turks and Caicos Islands second largest source of external revenue, after tourism. The mainstays of the industry are trusts and insurance companies. Seven banks are licensed to operate in the Turks and Caicos Islands. The United Kingdom Technical Cooperation Programme currently supports the sector through the provision of the Superintendent and the Deputy Superintendent of the Financial Services Commission.

19. Among the attractions for offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality.

E. Agriculture and fisheries

20. Agricultural production is small and concentrated in North Caicos. The sector has begun to grow recently, with more produce available for sale in Providenciales and the establishment of a new farmers' cooperative. In the 1998/99 budget, the territorial Government set aside funds for a comprehensive agriculture project for North and Middle Caicos, designed to grow food for sale to the tourism sector. The Government plans to designate land for agricultural development, provide these areas with an infrastructure, assist with their improvement and work with international donor agencies to provide the services of a full-time agronomist.

21. Fishing is a traditional activity and the only significant productive sector. Conch and lobster are the main catches. The Turks and Caicos Islands is home to the world's only commercial conch farm, raising domestic conch for export. The firm, Caicos Conch Farm, has been conducting research for the past decade and has been operating as a full commercial activity since 1997. Several other fish farms are being developed on an experimental basis to produce tilapia for international markets.[4]

F. Tourism

22. The territorial Government's "Strategic development plan for tourism", which sets out a strategy for development of sustainable tourism on the Turks and Caicos Islands, will soon be completed. The Turks and Caicos Islands' tourism sector continues to record one of the fastest growth rates in the entire Caribbean and annual visitor arrivals are expected to exceed 100,000 in the coming year.

23. The expansion of the hotel industry has continued. In accordance with the territorial Government's commitment to promoting the economic development of all the Islands, the Government has promoted development projects on South Caicos, North Caicos, East Caicos and Middle Caicos. In addition, the Government has signed a development agreement for the Grand Turk Harbour Project as well as several new projects on Providenciales.

24. The territorial Government completed the construction of a new airport terminal in Providenciales and American Airlines has increased the number of regularly scheduled flights from nine per week to two per day year round.

IV. Social conditions

A. General

25. The expansion in the tourism and offshore finance sector has resulted in favourable economic growth, but activities in that area are concentrated almost totally on one island, Providenciales. Thus, economic opportunities are not equally distributed among the islands. Unemployment varies between 14 and 20 per cent on the other islands, while Providenciales boasts almost full employment. Inter-island migration is common, particularly migration to Grand Turk, the capital. A number of social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households, have resulted from this skewed pattern of development.[5]

26. In recognition of this issue, in the 1998//99 budget presentation, the Chief Minister stated:

> "Our Islands are experiencing an extreme form of uneven development. This has resulted in new, and exacerbated a number of existing, socio-economic challenges for the country. Key among these is the need to address the social and economic problems resulting from the unbalanced pattern of development occurring in the Turks and Caicos Islands, to develop the education and health sectors to ensure that Turks and Caicos Islanders become active participants in the Islands' development, and the requirement for timely provision of essential infrastructure to give *all* the Islands an opportunity to develop in their own right."[6]

27. In 1997/98, the territorial Government adopted a national housing policy. The first project to be implemented under this policy is the Shelter Development project, which was designed to address housing difficulties experienced by low-income Turks and Caicos Islanders. This project includes infrastructure improvements in designated areas of Five Cays, Providenciales, and the establishment of a special mortgage programme for the renovation and extension of the homes of people in the target income group.

B. Education

28. Education in the Territory is free and compulsory for children between 5 and 16 years of age. There are 14 government-run primary schools and 4 government-run secondary schools. The adult literacy rate is 98 per cent.[7] The pupil-teacher ratio averages 25:1. The overall goal of the sector is to prepare the population for employment opportunities that will arise as the pace of development increases.[8] According to information provided by the administering Power, the Government of the Territory continues to work towards improving the education sector, with concentration on staff training and a successful drug awareness programme sponsored by the United Nations International Drug Control Programme. Changing enrolment patterns, in particular the growth in the number of students on Providenciales, remains a key concern of the education sector. More than $10 million is planned for investments in the education sector over the next several years; these will include improvements in infrastructure, training, and planning and management reforms, as well as the commencement of a national literacy programme.

29. Total student enrolment at the community college continues to grow and the territorial Government has allocated an additional $150,000 for its 1998/99 budget.

C. Health

30. Basic health care is available on the islands through a network of primary health care clinics and one hospital, located on Grand Turk, the capital island. The Government has sought to address infrastructure needs, especially on the island of Providenciales, which has a high population growth rate.[9]

31. According to information provided by the administering Power, the 1998/99 budget provides for additional funding for improved patient care at the Grand Turk Hospital and $101,000 for AIDS-related programmes. Other health-related projects include the purchase of new medical, dental and laboratory equipment and supplies and the introduction of a management information system for the medical department.

D. Environment

32. The press reports that a $1.6 million grant from the administering Power will be used to facilitate the implementation of the territorial Government's coastal resource management project. This project will support the National Parks Service, help construct a national environmental centre on Providenciales, and fund awareness programmes to educate the public on the benefits of the national parks. It is also intended to address the degradation of the natural resources caused by increases in population pressure and tourist arrivals.[10]

V. Participation in international organizations and arrangements

33. The Turks and Caicos Islands were admitted as an associate member of the Caribbean Community (CARICOM) in July 1991.

34. UNDP assistance continues under a new 1998–2003 Country Programme. Areas of emphasis for the new programme include technical assistance in excess of $780,000 for small enterprise development, the National Integrated Development Plan, and the reintroduction of the United Nations Volunteers programme. According to the territorial Government, these core programmes are designed to utilize the comparative advantage of the United Nations system to promote entrepreneurial development among Turks and Caicos Islanders and enhance the development planning process in the country.

VI. Future status of the Territory

A. Position of the territorial Power

35. As cited in the most recent resolution of the General Assembly on the Turks and Caicos Islands (see below), the representatives of the Turks and Caicos Islands said in 1997 that there was a lack of adequate visible development of the process of self-determination in the Territory. They stated that there was the political will on the part of the territorial leaders for a more advanced Constitution which would enable an orderly transfer of power to the people of the Turks and Caicos Islands. They said that the administering Power should accelerate the process of equipping and preparing the people of the Territory to evaluate properly the available options of self-determination and, with that in view, emphasized that the advancement of the political, economic, social and educational institutions in the Territory was of paramount importance.[11]

36. In the 1998/99 budget presentation, the Chief Minister of the Turks and Caicos Islands acknowledged the United Kingdom White Paper mentioned above in connection with development aid: "Whilst we welcome the new United Kingdom Government's White Paper on development and the outcome of the recent London meetings, we remain concerned that too many delays have affected the bilateral aid programme."

B. Position of the administering Power

37. Key recommendations of the administering Power are noted below:

(a) In future the Territories would be known as the United Kingdom Overseas Territories, in short Overseas Territories;

(b) British citizenship (and so the right of abode) would be offered to those people of the Overseas Territories who did not already enjoy it and who met certain conditions;

(c) Those who did not want to take it up would be able to remain British Dependent Territories citizens;

(d) British Overseas Citizens would not be included in this offer, nor would it apply to people who owed their British Dependent Territories citizenship to links with the British Indian Ocean Territory or with Sovereign Bases on Cyprus;

(e) The offer of citizenship would be on a non-reciprocal basis (as far as the right of abode is concerned). No conditional links have been made between the offer and other obligations set out in the White Paper;

(f) Administrative and representational arrangements would include:

(i) The establishment of parallel Overseas Territories structures in the Foreign and Commonwealth Office and the Department for International Development;

(ii) The appointment of Baroness Symons as Minister with responsibility for the Overseas Territories;

(iii) The creation of an Overseas Territories Consultative Council to bring together British Ministers and the Chief Ministers of the Overseas Territories or their equivalents;

(iv) The designation of a First Secretary in the office of the Permanent Representative of the United Kingdom to the European Union as the point of contact for the Overseas Territories with the European Union;

(g) In terms of good governance, provision would be made for:

(i) Improved regulation of the financial service industries in the Overseas Territories to meet internationally acceptable standards and to combat financial crime and regulatory abuse;

(ii) Measures to promote greater cooperation with international regulators and law enforcers so as to share information and improve worldwide financial regulation;

(iii) Enhanced measures to combat drug trafficking and drug-related crime;

(iv) Reform of local legislation in some Territories to comply with the same standards of human rights as those existing in the United Kingdom with regard to capital punishment, judicial corporal punishment and consensual homosexual acts. If local action is not taken Her Majesty's Government would enforce the necessary changes;

(h) Measures for sustainable development would include:

(i) Partnership between Her Majesty's Government and the Overseas Territories to promote economic growth and self-sufficiency;

(ii) Confirmation that the reasonable assistance needs of the Overseas Territories would be a priority in the development programme;

(iii) Continued budgetary aid for Montserrat and St. Helena;

(iv) Strengthened procedures and guidelines on borrowing by the Overseas Territories;

(v) Enhanced policies, legislation and standards for the protection and management of the rich natural environment of the Territories;

(vi) Increased funds (£1.5 million over three years) to assist in creating and implementing integrated environmental programmes;

(vii) Agreement of an environmental charter between the United Kingdom and the Overseas Territories;

(viii) Technical support, training and cooperative schemes to build local capacity to manage and monitor the environment.

C. Consideration by the General Assembly

38. On 24 February 1999, the General Assembly adopted resolution 43/67 A, a consolidated resolution on 11 Non-Self-Governing Territories, section X of which is specifically devoted to the Turks and Caicos Islands.

Notes

[1] The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 20 May 1999.

[2] See DP/CCF/TCI/1, paragraph 3.

[3] *The Island Connoisseur*, Turk and Caicos Islands, Government and economy (www.islandconnoisseur.com/turks/govern.htm).

[4] *1998 Caribbean Basin Profile*, p. 426.

[5] Ibid., para. 6.

[6] Statement on the 1998/99 budget address by the Chief Minister of the Turks and Caicos Islands on 19 March 1998.

[7] *1998 Caribbean Basin Profile*, p. 427.

[8] Ibid., para. 8.

[9] Ibid.

[10] *Turks and Caicos Weekly News*, 23–31 October 1998.

[11] See A/AC.109/2089, para. 29.